The State Board of Regents met on Wednesday, September 16, and Thursday, September 17, 1987, at the University of Iowa. The following were in attendance:

	September 16	September 17
Members of State Board of Regents		
Mr. Pomerantz, President	All sessions	All sessions
Mr. Duchen	All sessions	All sessions
Mr. Fitzgibbon	All sessions	All sessions
Mr. Greig	All sessions	All sessions
Dr. Harris	All sessions	All sessions
Miss VanEkeren	All sessions	All sessions
Mr. VanGilst	All sessions	All sessions
Mrs. Williams	All sessions	All sessions
Office of the State Board of Regents		
Executive Secretary Richey	All sessions	All sessions
Director Barak	All sessions	All sessions
Director Maxwell	All sessions	Excused
Director True	All sessions	All sessions
Director Volm	All sessions	All sessions
Director Wright	All sessions	All sessions
Associate Director Runner	All sessions	All sessions
Associate Director Stanley	All sessions	All sessions
Assistant Director Peters	All sessions	All sessions
Minutes Secretary Briggle	All sessions	All sessions
State University of Iowa		
President Remington	All sessions	All sessions
Vice President Hubbard	All sessions	Excused
Vice President Moll	All sessions	All sessions
Vice President Phillips	All sessions	All sessions
Associate Vice President Small	All sessions	All sessions
Assistant to President Mears	All sessions	All sessions
Assistant to Vice President Davis	All sessions	All sessions
Director Cooper	All sessions	All sessions
Director Stork	All sessions	All sessions
Iowa State University		
President Eaton	All sessions	All sessions
Executive Vice President McCandless	All sessions	All sessions
Vice President Christensen	All sessions	All sessions
Vice President Madden	All sessions	All sessions
Vice President Moore	All sessions	All sessions
Assistant to President Crawford	All sessions	All sessions
Director Lendt	All sessions	All sessions
University of Northern Iowa		
President Curris	All sessions	All sessions
Provost Martin	All sessions	All sessions
Vice President Conner	All sessions	All sessions
Vice President Follon	All sessions	All sessions
Assistant to President Voldseth	All sessions	All sessions
Director Chilcott	All sessions	All sessions
Iowa School for the Deaf		
Superintendent Johnson	All sessions	All sessions
Business Manager Kuehnhold	All sessions	All sessions
Iowa Braille and Sight Saving School		
Superintendent Thurman	All sessions	All sessions
Business Manager Berry	All sessions	All sessions

GENERAL

UNIVERSITY OF IOWA HOSPITALS AND CLINICS PLANNING SEMINAR. The State Board of Regents met in a planning seminar for the State University of Iowa Hospitals and Clinics on September 16, 1987. Regent Tyler was absent from the session. An expanded narrative of the discussion during the planning seminar may be found in the Minutes of that meeting.

President Remington briefly discussed Regents governance of the University of Iowa Hospitals and Clinics. Mr. Colloton, Director of University of Iowa Hospitals and Clinics, as well as University Hospitals and Clinics staff, discussed the following items: the University Hospitals and Clinics statewide impact on health care, adequacy of obstetrical patient base, indigent obstetrics legislation, comparison with other university-owned teaching hospitals in the nation, outreach, state appropriations as a percentage of total cash flow, trends in governance of university hospitals around the country, and the Psychiatric Pavilion Replacement Facility.

In reference to the proposed amendments to the University Hospitals and Clinics Bylaws requested by the university, William Hesson, Assistant Director of University Hospitals and Clinics, said the first two amendments were developed in response to recommendations of the Joint Commission on Accreditation of Hospitals. The first specifies the required frequency of the members of each clinical service. The second specifies that the Bylaws shall be reviewed annually. Both amendments formalize existing practice. These amendments were approved by the University Hospital Advisory Committee on May 6, 1987. The other proposed Bylaws amendments were requested to formalize the existence of and charges to the Ambulatory Care Subcommittee and Strategic Planning Subcommittee of the University Hospital Advisory Committee. Mr. Hesson said the University Hospitals Advisory Committee approved the amendments regarding the Ambulatory Care Subcommittee and Strategic Planning Subcommittee on May 6 and August 5, 1987, respectively.

Regent Fitzgibbon asked what body the Bylaws amendments would be presented to for review and approval. Mr. Hesson responded that would be the Board of Regents. Regent Fitzgibbon stated that may need to be spelled out in the amendment to make it clearer.

Regent Fitzgibbon asked whether the Board of Regents or the advisory committee would perform the annual review of the Bylaws.

Mr. Hesson responded that the Bylaws will be reviewed annually by the University Hospital Advisory Committee. Mr. Colloton stated the Bylaws are currently reviewed less than annually.

President Pomerantz suggested the language not be restrictive as far as when the Bylaws are reviewed. He said that any time the university wants to change a Bylaw they should bring it to the Board at their earliest convenience.

Regent Fitzgibbon suggested the amendment read as follows:

C O R R E C T E D

The Bylaws, Rules and Regulations of the University of Iowa Hospitals and Clinics will be reviewed at least annually by the University Hospitals Advisory Committee.

MOTION: Regent Duchen moved to adopt the language as proposed by Regent Fitzgibbon to amend the Bylaws, Rules and Regulations of the University of Iowa Hospitals and Clinics regarding review of the Bylaws, and to adopt the other amendments as proposed by the university. Regent Harris seconded the motion, and it carried unanimously.

The following business pertaining to general or miscellaneous business was transacted on Wednesday, September 16 and Thursday, September 17, 1987.

President Pomerantz stated the Board was honored to be meeting in the Old Capitol Building on the University of Iowa campus.

President Remington introduced Susan Phillips, Vice President for Finance and University Services, and Professor of Finance in the College of Business Administration at the University of Iowa. He said she is an expert at finance and is published widely in that area.

APPROVAL OF MINUTES OF BOARD MEETING, JUNE 17-18, JULY 8, AND SEPTEMBER 1, 1987.

President Pomerantz asked for corrections to the Minutes.

ACTION: President Pomerantz declared the Minutes approved as published by general consent.

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

REPORT OF COMMITTEE ON EDUCATIONAL COORDINATION. (A) Post Audits. (1) M.A. Major in Health Education, University of Northern Iowa. The Board Office recommended the Board receive the post audit report on the M.A. in Health Education at the University of Northern Iowa and approve its continuance.

Twenty-four (24) individuals have graduated from the program, of which most are involved in employment in the field or in related fields, or have pursued advanced graduate study. Only four persons are unemployed or in an "unknown" employment status. The increased costs associated with the establishment of this new program are less than what was projected at the time the program was proposed. The university's estimation of the costs for the first three years of operation was $43,850 while actual costs for the first three years were only $23,700. The university estimated that additional funds will be

required in future years for additional faculty and other resources amounting to approximately $8,300.

Board Office staff stated it appeared from an analysis of the post audit report that the program has been successful in meeting its original objectives, and that it should be continued.

Vice President Moll stated the Interinstitutional Committee on Educational Coordination completed its post audit review of the M.A. Major in Health Education, University of Northern Iowa, and recommended the Board receive the report and approve the continuance of the program.

MOTION: Regent Williams moved to receive the post audit report on the M.A. in Health Education at the University of Northern Iowa and approve its continuance. Regent Fitzgibbon seconded the motion, and it carried unanimously.

(2) Ed.D. Major in Education, University of Northern Iowa. The Board Office recommended the Board receive the report on the post audit of the Doctor of Education program at the University of Northern Iowa and approve its continuance.

The post audit review report submitted by the university indicated that this program is not available at other Regent institutions. As the Board Office noted when this program was prepared, this statement is true only in the sense that the program is labeled differently than similar programs offered at other Regent institutions. The program is very similar to doctoral programs offered at Iowa State University and University of Iowa, although these programs are labeled Ph.D. In addition, Drake University offers the Ed.D.

The program has met or exceeded its proposed enrollment targets. There were 49 students enrolled in the program at the end of the fourth year. The projected enrollment at the time this program was approved was for 48 students at the end of 5 years. The Board Office reported that no formal dropouts from the program have been reported. The few graduates of the program included two persons who held their current positions at the time of program enrollment. One other person is employed part-time and has not actively sought full-time employment. One of the two graduates who was employed during enrollment in the program has sought different employment and was recently named superintendent of a larger district than the one in which he was previously employed.

It was originally estimated that the cost of the program for its initial years of implementation would be approximately $179,852. The post audit report indicated the total incremental costs associated with the establishment of this program, based on the 1986-87 budget, were $148,527.

The university projected a need for additional staffing for the next three years as a result of increased enrollments and interest in this program. The additional resources requested for the next three years will be $207,471 (first year); $248,946 (second year); and $288,283 (third year).

Board Office staff stated the program seemed to have met or exceeded its originally-proposed goals and objectives, and recommended the program be continued.

Vice President Moll stated the Interinstitutional Committee on Educational Coordination completed its post audit review and recommended the Board receive the report and approve the continuance of the program.

MOTION: Regent Harris moved to receive the report on the post audit of the Doctor of Education program at the University of Northern Iowa and approve its continuance. Regent VanEkeren seconded the motion, and it carried unanimously.

B. New Programs. (1) Ph.D. Program in Nursing, University of Iowa. The Board Office recommended the Board approve the Ph.D. Program in Nursing at the University of Iowa, subject to the usual post audit review.

Last spring the University of Iowa submitted a proposal for a Ph.D. program in Nursing to the Board. The Board referred the proposal to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The Interinstitutional Committee completed its review and recommended approval. A review of the Ph.D. Program in Nursing based on the Regents criteria follows.

The university's proposal noted that nationally, doctorally-prepared nurses are needed to conduct research, as members of academic nursing program faculty, and as nurse executives skilled in modern administrative management and budgeting techniques for nursing homes and other health agencies. The current production of doctoral programs in nursing nationally is inadequate to meet the projected needs of the nation for persons trained in this area. In the Midwest the projected need for nurses prepared at the doctoral level is extensive. There are currently (1984 data) 761 nurses with doctorates in the midwest area. The projected requirements for nurses with doctorates range from 5,040 to 11,040 in the year 1990. The projected state of Iowa need for nurses with doctoral degrees shows that by 1990, 300 to 670 such individuals will be needed.

As a part of its comprehensive needs assessment the university conducted a survey that substantiated the demand for this program on the part of alumni from the university, and an assessment of the employment needs of nursing service organizations and educational programs.

The university, in developing its proposal, went to great lengths to demonstrate the quality of the proposed program. In particular, information was provided on program requirements for students, and the qualifications of faculty in the areas of teaching, research and service. The university noted that a national source indicated the number of faculty able to launch a doctoral program in nursing should consist of at least 5-10 doctorally-prepared nurses with an active research program as evidenced by extramural funding and publications in relevant journals. The university indicated that it currently has 30 doctorally-prepared faculty.

The university's proposal indicated the estimate of probable marginal increases in expenditures that may be necessary as a result of the adoption of this program for the next three years is $60,000 (first year); $116,500 (second year); and $171,500 (third year). These funds will be provided from internal reallocation, hopefully not at the expense of the undergraduate program. Other funding needs include additional faculty to replace those assuming major responsibilities in the doctoral program, five half-time graduate assistants to be phased in over a three-year period, promotion and administrative expense, equipment, library books, computer use, and other needed resources.

The current mission statement of the University of Iowa indicates that ".... graduate and professional work in Law, Medicine, Dentistry, Pharmacy, Nursing, Engineering, and allied fields related to these professional disciplines will be offered...." The program is consistent with the approved mission of the University of Iowa.

There are no doctoral programs in nursing in the state of Iowa; therefore, the program does not duplicate any other programs in the state.

Board Office staff noted the program appears to meet all of the Board's criteria for new programs. The only reservation of Board Office staff in recommending this program was that it not be offered at the expense of the quality or resources available to the undergraduate program.

Vice President Martin stated the Interinstitutional Committee on Educational Coordination reviewed the proposal. The program appeared to meet all the Regents criteria for new programs and because it appeared that professional development was being stymied by the fact that no Ph.D. in Nursing programs were offered within the state, the committee recommended approval.

MOTION: Regent Williams moved to approve the Ph.D. Program in Nursing at the University of Iowa, subject to the usual post audit review. Regent Harris seconded the motion, and it carried unanimously.

(2) M.S. and Ph.D. in Plant Physiology, Iowa State University. The Board Office recommended the Board approve the Interdepartmental Graduate Major in Plant Physiology (M.S. and Ph.D.) subject to the usual post audit report.

In June Iowa State University submitted a proposal to establish an Interdepartmental Graduate Major in Plant Physiology at the M.S. and Ph.D. levels. The proposal was referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. A review of the proposed program based on the Regents criteria follows.

A formal needs assessment was not conducted by the university. The university indicated, however, that a national survey in 1984 noted Plant Physiology as the area with the greatest number of post-doctoral training opportunities and plant molecular biology as the area of greatest personnel shortage. The university projected enrollments for this program ranging from 13 the first year to approximately 30 in five years. Also cited as reasons for this program were various sources indicating that Plant Physiology has always been a major field within Plant Biology, but recent developments in analytical instrumentation and molecular biology have presented extraordinary challenges and opportunities to people in this field.

Plant Physiology has been an area of emphasis within the Botany major for many years. The proposal is to make Plant Physiology a formalized major. The new major will be adopted by all seven plant science departments.[3] Participating basic plant physiologists from all seven departments will contribute to the overall quality of the major.

The probable marginal increase in expenditures that may be necessary for the next three years was estimated at $27,750. This includes funds for office supplies, recruiting and unsponsored research. A quarter-time secretary would assist with correspondence, recruiting graduate students, and appointments. The university indicated that much of the marginal increase in expenditures can be gained by reallocation from the participating departments.

The proposed program is well within the approved mission of Iowa State University. In part, the current mission statement indicates that "... in its professional programs, principal emphasis will be given to the maintenance of strong programs in the sciences, agriculture, engineering, etc."

The proposed program does not duplicate any programs at the Regent institutions, the independent colleges and universities, or any other institution of higher learning in the state of Iowa.

Vice President Martin stated graduate programs in plant physiology are highly appropriate at Iowa State University since the university has strength in

this area. He said the Interinstitutional Committee on Educational Coordination recommended approval of the program.

MOTION: Regent VanEkeren moved to approve the Interdepartmental Graduate Major in Plant Physiology (M.S. and Ph.D.) subject to the usual post audit report. Regent Greig seconded the motion, and it carried unanimously.

(3) Iowa Social Science Institute, University of Iowa. The Board Office recommended the Board approve the establishment of the Iowa Social Science Institute at the University of Iowa.

This summer the University of Iowa recommended to the Board the establishment of an Iowa Social Science Institute. The proposal was referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The Iowa Social Science Institute was proposed by the University of Iowa to provide a single social science teaching and research facility which will support the work of students and faculty in a wide variety of departments in the College of Liberal Arts. This institute would take the place of several social science research units which had more limited purposes and which, to some extent, duplicated each other.

The proposal for the Iowa Social Science Institute appeared to answer all of the "Regents Review Questions for New Centers or Institutes" except question #6 regarding the existence of similar units at other public or private universities in Iowa. In checking with the University of Iowa, Board Office staff learned that no similar units exist, to the best of their knowledge.

The budget for the institute will consist of $31,250 for the salary and fringe benefits of a faculty director; $68,750 to support salary and fringe benefits for the three-member professional staff; and $40,000 for operating expenses. Since this unit will take the place of several other research units resulting in cost savings, costs will be funded through this reallocation process.

The existence of the facility will enhance the ability of faculty to obtain external funds for their research, according to the university. It is anticipated that such external grants will be helpful in sustaining financial support for the institute.

Vice President Martin stated the Interinstitutional Committee on Educational Coordination recommended approval.

MOTION: Regent Williams moved to approve the establishment of the Iowa Social Science Institute at the University of Iowa. Regent Harris seconded the motion, and it carried unanimously.

REPORT OF MEETING OF IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION. The Board Office recommended the Board receive the oral report on the September meeting of the Coordinating Council.

Regent VanGilst stated President Remington, Chairman of the Iowa Coordinating Council for Post-High School Education, did a superb job of chairing the meeting and he looked forward to working with him in the future.

Regent Williams stated topics of discussion at the September meeting included a panel discussion on articulation between K-12 and higher education, effects of new entrance requirements, a status report on the summer institute which provides upgrading of teacher skills, an update on the Iowa Work/Study program, and a review of new programs for which the committee ultimately gave its approval.

Regent Fitzgibbon asked who are the other members on the committee?

Regent Williams stated the committee consisted of representatives from all post-high school institutions, including community colleges and private colleges, in addition to the Regent universities.

Regent VanGilst stated it is a voluntary organization which he feels is very worthwhile. He said it allows everyone an opportunity to discuss problems and concerns, while working together toward higher education.

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

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

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

ANNUAL REPORT ON UNIVERSITY LIBRARIES. The Board Office recommended the Board receive the report of the Interinstitutional Library Committee.

This year's report was prepared by Barbara Jones, chair of the Interinstitutional Library Committee and Director of the Donald O. Rod

Library at the University of Northern Iowa. As noted in the report, both the University of Northern Iowa librarian and the librarian at the University of Iowa, Sheila Creth, are new to the Regent institutions. They joined with Warren Kuhn, Dean of Libraries at Iowa State University, in the preparation of this report.

The annual report focused on resource sharing and efforts toward automation. Highlights of the report follow.

Resource Sharing - The report noted that reciprocal on-site borrowing between and among the three Regent university libraries has been in place since 1984. All three libraries are also continuing the "rush category" for interlibrary loan requests and are cooperating with the State Library of Iowa in the "Iowa Locator," a data base of collections in Iowa libraries including the Regent institutions.

The report noted there have also been some efforts toward cooperative collection development. All three libraries are experiencing dramatic cuts in the number of materials purchased due to inflation, dollar devaluation, and relatively static budget materials. The librarians also noted that new or intensified academic programs will suffer because the libraries are unable to support them with vital resources. In an effort to counteract these problems, the librarians have shared listings of serial cancellations and new orders. It was noted in the report that approximately 900 journal titles have been cancelled by the University of Iowa and that some 1,000 titles are proposed for cancellation at Iowa State University. These lists of cancelled publications provide a mechanism for consultation among the three library collection development officers regarding serials to be discontinued.

All three libraries are developing plans for protecting resources from a variety of environmental and inherent hazards. The report also noted that an interinstitutional cooperative binding contract is continuing.

The interinstitutional committee considered the concept of a centralized storage facility that would be utilized by all three universities to help relieve the space congestion and improve possibilities for interinstitutional sharing of materials. After reviewing the costs and disadvantages, as well as considering the potential of such new technologies as the on-line catalog, the three librarians continued to find the concept costly and one that is disadvantageous to students and scholars on each campus. The librarians indicated they would prefer to focus on other ways to share resources, including those aforementioned activities already underway.

Automation - All three universities are proceeding in the development of automated library systems. Even though the universities appear to be adopting different systems, the potential exists for linkage between the three universities. The University of Northern Iowa will be purchasing a

system in the near future, hopefully one that will be compatible with one or both of the other Regent institutions.

Future Reports - Board Office staff felt the three librarians should be commended for their efforts at interinstitutional cooperation. The Board Office was also supportive of the librarians' request for an additional 18 percent in their budgets to allow for the proper maintenance of the current collections and to keep up with inflation. Because of the extraordinary costs in this area, the importance of the library to the teaching, research, and service functions of the universities, and the expansion of knowledge and new library-related technologies, the Board Office felt the institutions should make an even more intensive effort at cooperative activities. It was recommended that the three librarians, in their next report, consider additional efforts toward cooperation and substantive efforts at improving efficiencies and cooperation.

In regard to the report that approximately 900 journal titles have been cancelled by the University of Iowa and that some 1,000 titles are proposed for cancellation at Iowa State University, Regent Harris asked what criteria was used to determine the journals to be cancelled.

Ms. Jones responded that those decisions were made based upon a usage study, whether there were copies in other Regent institutions' libraries, and whether or not certain journals were considered by faculty and students to be essential.

Regent Duchen asked why the Regent universities appeared to be adopting automated library systems which were different from each other's.

Ms. Jones responded that there are many different library systems on the market which have different options to address various needs. She said the University of Iowa and Iowa State University systems can eventually be linked allowing the universities to share information.

President Pomerantz pointed out that the librarians need to work more closely on cutting costs and cooperating on purchases, other than just the sharing of lists noted in the annual libraries report, to achieve the highest possible cost savings.

Ms. Jones stated the automated library systems would assist in achieving greater cost effectiveness at each of the university libraries.

ACTION: President Pomerantz stated the Board received the report of the Interinstitutional Library Committee by general consent.

REVIEW OF MISSION STATEMENTS OF REGENT INSTITUTIONS. The Board Office recommended (1) action on the proposed university mission statements be referred back to the institutions for greater specificity and the development of companion statements for the Procedural Guide; (2) consultants be engaged to assist in development of the mission statements; (3) the Board defer Iowa Braille and Sight Saving School statement for revision to reflect the concerns noted below; and (4) approval of the Iowa School for the Deaf mission statement.

The Board Office noted that approval of the basic mission statements of the institutions constituted the first essential step in the Board's long-range strategic planning process.

University of Iowa - University of Iowa officials rewrote the university's mission statement. The revision, in part, emphasized three areas: (1) development of knowledge as accomplished through scholarship at the most advanced level and through doctoral education; (2) dissemination of knowledge which occurs through strong undergraduate, professional, graduate, and continuing education programs as well as through extension activities, etc.; and (3) the preservation of knowledge which is closely related to its dissemination and accomplished through the university's libraries and collections, through the impact of its instructional programs on each new generation, and through the professional activities of its faculty and staff. Board Office staff felt that additional specificity regarding several areas would be helpful. Other concerns of the Board Office included that the mission statement did not acknowledge that it is a state-supported institution and that it does not appear to list instruction as its first priority.

The university removed from its mission statement the statements indicating the programs it would not offer, and a statement indicating that it sought to maintain a balanced enrollment and would do so in recognition of the joint responsibility it has with other Regent institutions, private colleges, and community colleges to provide a greater variety of educational opportunities to a larger and more diversified group of students. The Board Office believed this statement had merit in recognizing the necessary relationship of the University of Iowa to the other Regent institutions and other post-secondary institutions in the state of Iowa to reduce the potential for unnecessary program duplication. Board Office staff felt it should be retained and perhaps added to mission statements of Iowa State University and the University of Northern Iowa.

Iowa State University - Iowa State University completely rewrote its mission statement. The new mission statement mentioned support from public and private sources, and programs of national and international significance. Board Office staff believed that as an institution supported by the state of Iowa, it should be noted that it is a "state-supported institution." The statement also mentioned the extension programs, its day and night and off-

campus programs and the specific goals of the university, such as assisting in the alleviation of hunger, poverty, etc.

The university's mission statement addressed all of the areas suggested by the Board Office, but without the specificity recommended in some areas. Iowa State University removed from its mission statement the programs that it will not offer.

University of Northern Iowa - The University of Northern Iowa revised its mission statement. In addition to being a considerably shorter statement, the mission statement deemphasizes the teacher education programs and replaces it with a statement that it "offers a broad range of degree programs and educational opportunities." Removed from the statement are programs that it will not offer and a statement regarding future program development. The University of Northern Iowa statement mentioned teaching, research and service, its role in graduate and undergraduate education, its activities with respect to traditional and non-traditional education, but did not indicate the range of disciplinary offerings. The Board Office stated the absence of a comment about the institution's role in teacher education ignored one of the major historical strengths of the institution.

The university's mission statement addressed all areas noted in the Board Office recommendation except the delineation of the range of disciplinary offerings, which the Board Office felt probably related to the interest on the part of the university in broadening its range of degree programs, but imposes the difficult task on the Board of Regents in determining the range of programs that should be considered within the mission of the University of Northern Iowa.

Iowa Braille and Sight Saving School - The Iowa Braille and Sight Saving School heavily edited and rewrote portions of its mission statement. The Board Office assessment of the reworded statement was that it did not substantively change the focus of the institution, with two exceptions. One, it did give outreach activities an equal footing with the educational services provided to the residential students. Second, the Board Office was concerned about the outreach activities. The school indicated that "other services in the outreach program of the school are assistance with the development of programs to teach specialized skills, parent education, low vision services, research, preservice, and continuing education of teachers and related professionals." The comments with respect to research, preservice and continuing education of teachers should make clear that this function is being performed by the school only in cooperation with appropriate recognized teacher education and training institutions, and institutions whose mission and skills include the "research" function.

Iowa School for the Deaf - The mission statement of the Iowa School for the Deaf had only minor revisions which were grammatical in nature.

Mr. Richey stated that in December 1986 the Board Office recommended a series of actions relating to long-range planning for each institution, including a review of mission statements to develop more explicit mission statements. He said Board Office staff held discussions with institutional officials regarding Board Office recommendations and the institutions proceeded from there in developing revised mission statements. The Board Office felt the role and scope statements were not adequately addressed and, therefore, recommended that those be referred back to the institutions for further refining. He said role and scope statements needed to be developed as well as adding specificity to the mission statements. The Board Office suggested the institutions be allowed to employ consultants as needed to assist in developing mission statements. He added that the Board Office also issued a caveat for the Iowa Braille and Sight Saving School.

Regent Fitzgibbon asked what the anticipated timetable would be for submission of final mission statements.

Mr. Richey responded that the mission statements should be in place before the second phase of the organizational audit gets underway, but no later than December 1987.

President Pomerantz stated the Regents have several projects related to extensive planning, including organizational audits and issues management. He said mission statements are not categorical documents but rather documents which will require working together on setting priorities and tactical goals to achieve. This was the first submission of mission statements -- the beginning of a process which will move forward and for which a consensus will be arrived at. President Pomerantz stated it may take from two to four months to complete the process but he felt it was important to come to the right conclusion.

Regent Fitzgibbon cautioned that the institutions should be given ample time to complete the process.

Regent Harris stated he felt it was unusual that universities would require consultants to write mission statements. He asked for comments from the universities.

Vice President Moll stated that at that morning's Interinstitutional Committee on Educational Coordination meeting the members agreed they did not need consultants to assist in writing mission statements. The committee opposed that recommendation. The committee members did agree that the role and scope statements belonged elsewhere and should be developed before the institutions proceeded further in developing mission statements.

Vice President Martin said that a statement of how new programs should be developed was discussed several years ago, at which time it was agreed the Procedural Guide would be an appropriate place for those statements. The

University of Iowa mission statement was criticized for not having the specificity requested by the Board Office. He said that if the role and scope statement were included in the Procedural Guide it would contain the specificity that Mr. Richey referred to. Vice President Martin stated that mission statements generally are general. He felt that in all probability the more explicit a mission statement the harder it would be to reach consensus.

President Eaton stated, in response to the suggestion that the institutions cannot write their own mission statements, that as long as he has been in the business of higher education he has never known of a consultant being hired to assist an institution in writing a mission statement.

Regent Williams stated she agreed that a mission statement is a general purpose type of statement. She said more definition may be needed in the scope of the universities which may not fall under the mission statement category. She referred to local school district mission statements which are simple, with the goals and expectations contained in separate documents. She suggested the institutions be asked to expand in the areas of scope, goals and objectives.

President Pomerantz stated no one was implying the institutions needed a consultant to write mission statements. He said the Peat Marwick Main firm would deal with the mission statements once they were authored; therefore, there would be involvement with outside consulting groups to offer suggestions. He said he did not want to foreclose the opportunity for consultants to work with the institutions once the mission statements are written. He clarified that the institutions need to write the mission statements so the Board knows what the institutions perceive as their missions. President Pomerantz suggested that the mission statements go back to the institutions and asked that another draft be submitted for the Board's review within a reasonable time.

ACTION: President Pomerantz declared by general consent that the proposed mission statements were referred back to the institutions for greater specificity and development of companion statements for the Procedural Guide, with the exception of Iowa School for the Deaf.

ORGANIZATIONAL AUDITS. The Board Office recommended the Board receive the report on the organizational audits and approve the institutional assessments as indicated below.

It was recommended that the extraordinary cost of the organizational audits contract be paid through an institutional assessment of $1,000 each to the Board Office and the two special schools with the balance of the assessment being made to the three universities and the University of Iowa Hospitals and Clinics as follows:

University of Iowa (General)	40 percent
University of Iowa (Hospitals)	10 percent
Iowa State University	40 percent
University of Northern Iowa	10 percent

The estimated cost of the contract is around $100,000 plus extraordinary costs for the organizational audits and priority issues that are likely to be incurred by the Board and its staff. These costs are estimated to be $5,000 for Phase I of the organizational audits and $10,000 for the priority issues activities. A spending account will be set up at the University of Northern Iowa which will be allowed to deduct 2 percent of all transactions to cover administrative expenses.

Director Barak stated that at its September 1, 1987, electronic meeting the Board of Regents approved the selection of Peat Marwick Main & MGT of America as consultants to the Board for the purpose of conducting Phase I of the organizational audits. At the time the Board approved this action, the Board was told the action would be subject to several changes in the consultant's proposal to improve the contract. Director Barak said that since the last Board meeting two persons had been engaged to work with the special schools -- one knowledgeable in the area of visual impairment and one in the area of hearing impairment. With respect to the person to be hired for the academic audit, Director Barak stated the institutions submitted names and an individual was recently selected. That individual is William Friday, former President of the University of North Carolina. Selection of individuals to work with the University of Iowa Hospitals and Clinics is proceeding. Director Barak added that the consultants have met with several Board members and those interviews were continuing.

Vice President Phillips commented on the recommendation that the University of Iowa be responsible for half the cost of the organizational audits. She said it might also be appropriate to apportion the Regent institutions general expense and equipment funds by the same percentages.

President Pomerantz responded that the percentages related only to the organizational audits.

ACTION: President Pomerantz stated the Board received the report on the organizational audits and approved the institutional assessments by general consent.

REPORT ON STUDIES OF PRIORITY ISSUES. The Board Office recommended the Board receive the report on the priority issues study assignments.

The Board Office has begun scheduling meetings of the various study groups. Mr. Richey stated the Board Office is studying the structure of the priority issues and requested to defer action for one month at which time a report would be made.

ACTION: President Pomerantz stated the Board received the report on the priority issues study assignments by general consent.

PRELIMINARY REPORT ON ENROLLMENTS. The Board Office recommended the Board receive the preliminary (unofficial) enrollment report for Fall 1987.

Below are the projected headcount and FTE enrollments for Fall 1987 provided by the institutions in Fall 1986; the preliminary Fall 1987 head count and FTE enrollments provided by the institutions; the differences in Fall 1986 actual headcount and FTE enrollments; and, the preliminary enrollments for Fall 1987:

	Projected Headcount for Fall 1987	Prelimin. Headcount Fall 1987	Actual Headcount Fall 1986	Diff. between Actual 1986 & Preliminary 1987 Headcount	Projected FTE for Fall 1987	Prelimin. FTE 1987	Actual FTE Fall 1986	Diff. between Actual 1986 & Preliminary 1987 FTE
SUI	28,775	28,900	29,504	-604	23,980	Not Avail.	24,713	Not Avail.
ISU	25,885	25,700	26,431	-731	23,892	23,850	24,482	-632
UNI	11,500	11,410	11,577	-167	9,653	9,550	9,785	-235
ISD	131	117	130	-13	--	--	--	--
IBSSS	68	54	60	-6	--	--	--	--

Director Barak said the actual enrollments for Fall 1987 were expected to be lower than those indicated, with the exception of University of Iowa. He added that the Board will receive an extensive enrollment report in October or November.

Regent VanEkeren asked whether the enrollment report the Board will be receiving would provide a breakdown of characteristics of students who are dropping out. Director Barak responded that those characteristics would be provided.

ACTION: President Pomerantz stated the Board received the preliminary (unofficial) enrollment report for Fall 1987 by general consent.

TARGETED SMALL BUSINESS PROGRAM. The Board Office recommended the Board (1) receive the report on the Targeted Small Business program and (2) approve 2.25 percent of total non-utility procurement and construction as the certified Targeted Small Business goal for fiscal year 1988.

In order to implement the Regents' Targeted Small Business program five Regent institutions implemented the necessary administrative procedures during the Fall of 1986. As a result of these efforts the value of purchases from Targeted Small Businesses during fiscal year 1987 was $5.4 million which represents 1.9 percent of all purchases during the fiscal year. Included are purchases of supplies, equipment, services and construction contract awards. The institutions reported that during fiscal year 1987 1,072 individual contracts or purchase orders were made to Targeted Small Businesses.

During the fourth quarter of fiscal year 1987 the Regent institutions awarded supplies, equipment, service purchases and construction contracts valued at $85.4 million. The value of construction contracts and all other purchases from Targeted Small Businesses during the fourth quarter was $2.7 million. This is 3.16 percent of all purchases and construction contracts made during the quarter. Construction contracts awarded to Targeted Small Business firms amounted to 6.33 percent of total construction for the quarter.

For fiscal year 1988, the Regent institutions projected that $313.1 million in construction, supplies and equipment, and professional services would be purchased. The anticipated value of Targeted Small Business contracts and purchases for the fiscal year would be just over $7 million if the 2.25 percent goal is attained.

The institutions estimated that approximately $48,000 in additional costs were incurred in carrying out the requirement of the Targeted Small Business program.

Director True stated the first year of the Targeted Small Business effort was a success. The Board Office recommended the objective be set for the institutions that 2.25 percent of all non-utility procurement and construction be from Targeted Small Businesses in Iowa. He said that figure was achievable because of the efforts made by the institutions. For the third quarter of fiscal year 1987 the combined institutional Targeted Small Business purchases were 2.5 percent and grew to 3.2 percent.

MOTION: Regent Williams moved to (1) receive the report on the Targeted Small Business program and (2) approve 2.25 percent of

total non-utility procurement and construction as the certified Targeted Small Business goal for fiscal year 1988. Regent Fitzgibbon seconded the motion, and it carried unanimously.

ANNUAL REPORT OF REGENTS MERIT SYSTEM. The Board Office recommended the Board receive the Merit System Annual Report and approve undertaking the projects planned for fiscal year 1988 as follows: (1) review affirmative action programs as they relate to the Regents Merit System and recommend improvements in the system as appropriate; (2) review performance evaluation systems and the uses of performance evaluations; (3) determine the feasibility of using Iowa Job Service tests for merit system classes; and (4) complete the first year of a four-year cyclical review of the classification of merit system positions.

At the end of fiscal year 1987, the report showed there were 8,487 permanent merit system employees, a decrease of 53 from the previous year. Two-thirds of the employees were female and approximately 3 percent were minorities. By occupational category there were 574 supervisory employees, 2,811 blue-collar employees, 121 security employees, 1,498 technical employees and 3,483 clerical employees. Compaction problems (a concentration of employees at beginning steps of the pay matrices) of previous years have generally been eliminated. About 60 percent of employees are now paid in the first two quartiles of their ranges and 40 percent are in the upper half. The average merit system employee's salary as of June 30, 1987, was $16,000.

Three hundred sixty-two reclassification requests were reviewed and decided (up from 325 during fiscal year 1986). Seven appeals were heard by classification review committees. The Merit Director's decision was reversed in one and upheld in six. Two requests for arbitration of merit system grievances were received during the year. One was withdrawn, and the other is pending a hearing. Two arbitrations pending from the previous year were conducted in fiscal year 1987, and in both cases the employer's position was upheld.

Exhibits also detail employment application and testing activity during the year (over 8,000 written tests were administered and more than 11,000 evaluations of training and experience were completed) and other personnel transactions including appointments - 1213, promotions - 589, transfers - 404, demotions - 40, and terminations - 1246.

The report noted that during the past year the comparable worth project was completed, and that state-wide, biennial collective bargaining negotiations covering approximately 8,000 Regents merit employees were also completed.

Director Volm reviewed the proposed Regents Merit System projects for the coming year. A review of affirmative action programs as relates to merit

operations will be accomplished by a committee of Board Office staff, institutional affirmative action officers and personnel directors. He said another area is performance evaluation systems. The current collective bargaining agreement provides for a review of performance evaluation systems by a joint labor/management committee. The joint committee will report its recommendations to the Executive Secretary of the Board and the President of AFSCME. Director Volm stated the committee will be looking at the area of employment tests. With the assistance of the Iowa State University statistical lab the Regents committee will develop a pilot project to determine the feasibility of using Iowa Department of Job Service employment tests. The fourth area the committee will be working on is completion of the first year of a four-year cyclical review of the classification of merit system positions. Director Volm stated there are other projects that will be undertaken throughout the year, also, all of which represent added work for institutional staff. He said their cooperation over the past year has been excellent.

MOTION: Regent Duchen moved to receive the Merit System Annual Report and approve undertaking the projects planned for fiscal year 1988 as follows: (1) review affirmative action programs as they relate to the Regent Merit System and recommend improvements in the system as appropriate; (2) review performance evaluation systems and the uses of performance evaluations; (3) determine the feasibility of using Iowa Job Service tests for merit system classes; and (4) complete the first year of a four year cyclical review of the classification of merit system positions. Regent VanEkeren seconded the motion, and it carried unanimously.

APPEAL BY EMPLOYEE. The Board Office recommended the Board deny the request of Fred Krohn for review of a final institutional decision at the Iowa School for the Deaf denying Mr. Krohn $2,000 in sick leave payout funds.

In May of 1982 Mr. Krohn was terminated from his job as a night custodian at Iowa School for the Deaf. Until April of 1982 Mr. Krohn had been a groundskeeper at the school. In April he notified the school that he could not do certain of the jobs assigned to the groundskeeper for health reasons. In support of this notification he submitted a doctor's letter indicating he should not perform the duties, specifically snow removal work and lawn mowing at certain times, because of a chronic health problem for which the doctor claimed Mr. Krohn had been treated for thirteen years. A review of Mr. Krohn's application for employment did not reveal the health problem at the time he was employed in 1973. As the employer desired to make

accommodation for Mr. Krohn's disability he was given an involuntary transfer to a night custodian's position. He did not report for work in the new position and claimed that the new position would be sufficiently stressful that he could not perform it either. Mr. Krohn was terminated in May of 1982 pursuant to the rules of the Regent Merit System pertaining to job abandonment.

Mr. Krohn received terminal vacation pay from the school but was not granted sick leave payout of $2,000 which is provided to employees who, when they retire, have sick leave remaining valued at more than $2,000. This payout was not provided because Mr. Krohn had not retired from the employer. He was fired for job abandonment.

Subsequent to his termination by the school Mr. Krohn applied for and received unemployment compensation over the objections of the school. Mr. Krohn's counsel also identified that an Industrial Commissioner hearing concluded that Mr. Krohn did not abandon his job. Neither of these processes is a final adjudicatory body for determining if Mr. Krohn was terminated by the school for job abandonment as the school maintains.

Mr. Krohn also filed a federal claim of age discrimination. The state, without the knowledge of the school, settled this claim. It was not adjudicated.

The school maintained that it was correct in terminating Mr. Krohn for job abandonment consistent with Regent Merit System rules; and he was, therefore, ineligible for sick leave payout.

The Board Office recommended the Board not review the final institutional decision. When the Board denies the request for review of the decision of the school, Mr. Krohn will be entitled to seek judicial review of the decision as provided by law.

MOTION: Regent Fitzgibbon moved to deny the request of Fred Krohn for review of a final institutional decision at the Iowa School for the Deaf denying Mr. Krohn $2,000 in sick leave payout funds. Regent Greig seconded the motion, and it carried unanimously.

PETITION FOR HEARING ON COAL PURCHASE. The Board Office recommended the Board (1) deny the petition for hearing regarding "Iowa State University's assessment of BTU penalties" and (2) grant the petition for hearing on "Iowa State University's failure to award [the] 1986 contract to Iowa Coal Mining Company," with the hearing to be on written briefs and not oral arguments.

Director True stated Iowa Coal Mining Company petitioned the Board for a hearing on two issues relating to coal purchases by Iowa State University. The petitioner seeks a hearing on Iowa State's assessment of BTU penalties and failure to award the 1986 contract to Iowa Coal Mining Company. The Board Office consulted with Iowa State University and the Attorney General's Office. The petition and the fifteen enclosures with the petition were carefully reviewed. Director True stated that as a result of the detailed review the Board Office recommended that the first part of the petition be denied since it related to on-going litigation. The Board Office recommended granting the second part of the petition, adding that the petitioner be heard through written brief and not oral arguments. The university and the Attorney General's Office concurred with the Board Office recommendation.

The basis of the recommendation that the Board deny the request for a hearing on "Iowa State University's assessment of BTU penalties," was that litigation is pending against the Board of Regents on the same subject. A like petition for hearing was denied by the Board in September 1986, at which time Assistant Attorney General Merle Fleming wrote the attorney representing Iowa Coal Mining Company, indicating the reasons the Board should not hear this matter.

With regard to the other issue involving the university's award of a coal contract in 1986, it was recommended that a hearing be granted and that the hearing be by written briefs. A reasonable briefing schedule would be developed that would allow the Board to review the issue at its November meeting.

MOTION: Regent Fitzgibbon moved to (1) deny the petition for hearing regarding "Iowa State University's assessment of BTU penalties" and (2) grant the petition for hearing on "Iowa State University's failure to award [the] 1986 contract to Iowa Coal Mining Company," with the hearing to be on written briefs and not oral arguments. Regent Greig seconded the motion, and it carried unanimously.

APPEAL OF RESIDENCY STATUS FOR TUITION PURPOSES. The Board Office recommended the Board uphold the nonresident classification as established by the University of Iowa and as recommended by the Registrars and Admissions Officers Committee on Coordination for Patrick A. Sannes.

Director Barak stated that in July Patrick A. Sannes, a University of Iowa student, appealed a University of Iowa decision confirming his nonresident classification. This was referred to the Registrars and Admissions Officers Committee and they unanimously voted to uphold the nonresident classification as established by the University of Iowa. Director Barak said the Board

Office, in reviewing the recommendation as well as the action at the University of Iowa, concluded that both actions were consistent with the Board of Regents rules on residency classification, and recommended the Board uphold the non-resident classification.

MOTION: Regent Williams moved to uphold the nonresident classification as established by the University of Iowa and as recommended by the Registrars and Admissions Officers Committee on Coordination for Patrick A. Sannes. Regent Greig seconded the motion, and it carried unanimously.

USE OF ETHANOL BLEND FUEL. The Board Office recommended the Board receive the report and authorize the Regent institutions to cooperate with the Department of Transportation in acquiring ethanol blended motor vehicle fuel.

Director True stated that two months ago the Governor publicly urged that all unleaded gasoline usage by state government be converted to a 10 percent ethanol blend. He said information gathered by the Board Office indicated the Regent institutions consume approximately 480,000 gallons of unleaded motor vehicle gasoline per year. Of that amount 102,000 gallons is purchased from commercial service stations on the road, while the balance is purchased through filling stations operated by Regent institutions. The Regent institutions reported the use of twelve unleaded gasoline storage tanks. Director True said that although ethanol blended unleaded gasoline now costs slightly less than unleaded gasoline at commercial service stations, state purchasing of bulk ethanol blended unleaded gasoline would probably cost between $.05 and $.07 per gallon more. The reason for this dichotomy was that the purchase price at commercial service stations has adjustments made for federal and state tax subsidies for ethanol blended gasoline. The state does not pay tax on motor vehicle fuel and therefore the differential tax for the two products is not an economic issue to state purchasers.

State agency representatives have met a number of times to discuss the potential costs and consequences of converting to ethanol blended gasoline and to identify the steps necessary to execute a conversion. The Department of Transportation played a lead role in these discussions. Regent institutions purchase gasoline based upon agreements which are bid by the Department of Transportation.

A variety of suppliers have contracts with state agencies to deliver motor fuel at locations throughout the state. Several regional fuel suppliers serve the Regent institutions. The latest contracts bid by the Department of Transportation are effective July 1, 1987, through June 30, 1988.

The Board Office reported that under present market conditions the price premium for Regent institutions to purchase ethanol blended unleaded gasoline

would be approximately $25,000 per year plus an initial cost of between $1,000 and $6,000 to inspect and clean bulk storage tanks prior to using ethanol blended gasoline.

At the urging of the Governor's Office the Department of Transportation is considering action to cancel the unleaded gasoline contracts in place and rebid for ethanol blended unleaded gasoline later this year. The Attorney General's Office advised state agencies that existing motor vehicle supply contracts can be cancelled and rebid before June 30, 1988, should the state wish to do so.

In reference to the list of where some of the fuel tanks are stored, Regent Greig asked if it would be difficult to get ethanol blends to those tanks in small quantities.

Vice President Madden responded that would not be known until bids are solicited.

Director True stated there are some outlying locations which may pose a problem. He said Regent institutions will cooperate in the Governor's proposal and do their best to accommodate the request.

MOTION: Regent Greig moved to receive the report on use of ethanol blend fuel and authorize the Regent institutions to cooperate with the Department of Transportation in acquiring ethanol blended motor vehicle fuel. Regent Harris seconded the motion, and it carried unanimously.

PRELIMINARY BOARD OFFICE BUDGET REQUESTS FOR FISCAL YEAR 1989. The Board Office recommended the Board approve a revised Board of Regents Office budget for fiscal year 1988 and a fiscal year 1989 budget request of $1,018,875 for Board Office operations.

The proposed operating budget request for fiscal year 1989 was $1,018,275 including $27,472 for a 27th pay period. There were several elements of funding in the request including program continuation funds, funds to restore an associate director of academic affairs position, funds for slight increases in Board member per diem and for Board Office operating expenses, funds to meet salary increase policies for fiscal year 1989, and funds for the extraordinary additional pay period. Approximately once every ten years,

27 pay periods fall within a fiscal year rather than the typical 26 pay periods.

An itemization of program continuation costs is shown below.

* Annualization of fiscal year 1988 salary and fringe benefits

* Anticipated fiscal year 1989 fringe benefit and employee payroll tax increases

* 5% price inflation

* Mandatory 27th pay period

The salary policy recommended for the Board Office is the same as that recommended for the institutions. For Professional and Scientific staff, a 7 percent budget increase was recommended. General Services staff increases were budgeted to include 4 percent increases plus scheduled merit increases for satisfactory performance.

Funds were requested to restore an Academic Affairs and Research Unit position and to accommodate a slight increase anticipated in operating expenses. The Academic Affairs and Research Unit position was deleted during budget cutbacks in the 1980s. The present volume of work of this unit makes restoration essential. The proposed salary is $50,000 with an additional $7,365 for fringe benefit support. With expanded activity of the Board Office and increased activity by Board members, an additional $2,000 was requested for Regent per diem and $5,550 was requested for operating supplies, equipment services and repairs.

Adjustments were made to the fiscal year 1988 budget to better reflect anticipated expenditures. The Governor established the salary of the Executive Secretary for fiscal year 1988, which is only partially funded through additional appropriations. The balance has to be funded through salary savings. Communications, outside (contractual) services, outside (equipment) repairs, and data processing budget lines for fiscal year 1988 were adjusted to better reflect actual experience in fiscal year 1987. Total expenditures and revenues of $852,617 remain as initially approved by the Board.

Mr. Richey stated it was not necessary for the Board to act on the Board Office budget this month and added that the proposed budget reflected a 5 percent price inflation.

ACTION: President Pomerantz stated the Board received the preliminary Board Office budget requests for fiscal year 1989 and the

revised fiscal year 1988 budget by general consent.

EMPLOYEE ASSISTANCE PROGRAMS. The Board Office recommended the Board approve (1) participation in the state's Employee Assistance Program (EAP) commencing January 1, 1988, for Iowa School for the Deaf at a cost of $1,232 per year; for Iowa Braille and Sight Saving School at a cost of $756 per year; and for the Board Office at a cost of $182 per year; and 2) continuation of the Regent universities' present EAPs and, where necessary to reach at least the level of the state's EAP, permit them to improve their EAPs.

The state requested that all employees be provided service by an Employee Assistance Program (EAP). The state developed such a program and made it available to all employees, including employees in Regent institutions. The EAP provides a confidential contact person for an employee who is having a personal problem such as drug or alcohol abuse. The state's program will be administered through the Iowa Department of Personnel (IDOP) and will be provided by local contractors throughout the state.

The state, as employer, and AFSCME, as the bargaining agent, developed essential elements of the program in preparation for bargaining this past fall. The Regents Director of Personnel and Employment Relations represented the Regent institutions on the task force which guided the development of an acceptable EAP for implementation through the bargaining process. It was the intention of the employer that this program would be adopted in bargaining and its cost assessed to the new collective bargaining agreement. In the eleventh hour of the bargaining process it was dropped from the bargaining table. State government has determined that it is of sufficient benefit to the employer by helping employees with problems which affect the quality of work that it should be made available to employees through each agency in the executive branch with each agency paying a share of the cost.

All three universities presently have some form of an EAP. Iowa State University is recognized by the state as a leader in the development of such programs and the university's program was used as a model in the development of the state EAP. The University of Iowa and the University of Northern Iowa each have an EAP though not as highly developed at this time as the one proposed by the state. Both the University of Iowa and the University of Northern Iowa are refining their EAPs and expect their final product to be more appropriate to a university community than would be the state's program. The University of Northern Iowa is developing its EAP in conjunction with the United Way which is providing an economical method for delivering services to employees.

The IDOP indicated that it will seek funds from the General Assembly to cover the cost of the EAPs. The Board Office indicated to IDOP that Regent institutions and the Board Office would like to join in the effort to recover

the costs associated with offering an EAP if the Board makes such a request a part of its legislative package.

MOTION: Regent Duchen moved to approve (1) participation in the state's Employee Assistance Program (EAP) commencing January 1, 1988, for Iowa School for the Deaf at a cost of $1,232 per year; for Iowa Braille and Sight Saving School at a cost of $756 per year; and for the Board Office at a cost of $182 per year; and 2) continuation of the Regent universities' present EAPs and, where necessary to reach at least the level of the state's EAP, permit them to improve their EAPs. Regent Williams seconded the motion, and it carried unanimously.

REPORT ON RESIGNATION AND APPOINTMENT TO PRESIDENTIAL SEARCH COMMITTEE OF UNIVERSITY OF IOWA. The Board Office recommended the Board receive the report of resignation and appointment to Presidential Search Committee of the University of Iowa.

In April the Board of Regents approved the composition of the University of Iowa search committee and in May the appointment of individuals to serve on the committee. Howard Mayer, a staff representative on the committee, resigned his position at the university and on the committee. The university recommended that David Ricketts be appointed to fill the vacancy created by Mr. Mayer's resignation.

ACTION: President Pomerantz stated the Board received the report of resignation and appointment to Presidential Search Committee of the University of Iowa by general consent.

BOARD OFFICE PERSONNEL REGISTER. The Board Office recommended the Board receive the report.

Richard C. Runner, Associate Director of Business and Finance, successfully completed all requirements and was awarded a Ph.D. in Higher Education from Old Dominion University in Norfolk, Virginia, on August 15, 1987. The title of Dr. Runner's dissertation is "Statewide Higher Education Governing Boards Decision Making in Capital Project Planning".

ACTION: President Pomerantz stated the Board received the report on 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.

ADVANCE SCHEDULE: OCTOBER 1987 - FINAL DECISION ON TUITION POLICY FOR 1988-89.

ACTION: President Pomerantz stated that in October 1987 the Board of Regents will make the final determination on tuition policy for 1988-89.

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

CURRENT AND RECOMMENDED TUITION RATES FOR REGENT UNIVERSITIES

	RESIDENT		NONRESIDENT	
	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

	RESIDENT		NONRESIDENT	
	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) That an appropriate student aid setaside be provided to maintain access to the institutions for needy students.

The Board Office proposed tuition increases of approximately 9 percent for resident students at University of Iowa, Iowa State University and University of Northern Iowa and 12 percent for all non-resident students. This would result in a per semester increase of $71.00 for undergraduate resident students and $294 for non-resident students.

The Board Office proposed that a portion ($1.7 million) of the increase be used for a student aid set-aside 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 Board Office proposed to use all of the net tuition revenue increase to support student financial aid and for the second year of the Vitality and Excellence Fund.

The Board Office provided the following information:

The net increase to the general funds of the institutions is $9.3 million after adjustments for higher student aid.

The plan to improve the competitive position of faculty salaries has as its goal to elevate faculty salaries with comparable university groups to among the upper one-third. Funds for this program would be from tuition increases, state appropriation and internal university reallocations.

Present tuition rates at the Regent universities remain below the mean for comparable institutions. Among the "Big Ten" universities, the University of Iowa would rank last in undergraduate resident tuition.

The share of average instructional cost paid by resident and nonresident students will decrease based upon the proposed tuition rate increases and expenditure budgets for FY 1989 recommended by the Board Office.

The national average total cost of attending a four-year public college in 1988-89 is predicted to rise more than 5 percent for students who live on campus.

The University of Iowa ranked ninth in tuition, fees, room and board during the 1987-88 school year and Iowa State University tenth among comparable universities. The University of Northern Iowa ranked 8th lowest among 12 comparable universities.

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.

An increase of one percent in faculty salaries for fiscal year 1989 would require approximately $2.6 million. A one percent increase in professional and scientific staff salaries would require approximately $900,000. A one percent increase in tuition generates about $1.1 million for the General Fund after allowing for an increased student aid setaside.

President Pomerantz welcomed Representative Minnette Doderer and Representative Mary Neuhauser to the meeting.

President Pomerantz recognized Michelle Wubben, President of the University of Northern Iowa Student Association.

Ms. Wubben stated the Board of Regents has responsibility for establishing tuition policy and setting the tuition rates for the Regent universities. In making tuition decisions she said the Board must consider the effect on students since students are the primary reason for the universities. She said that consideration becomes increasingly important as costs continue to rise and accessibility and affordability of an ever more important education diminishes.

Ms. Wubben noted that the major cost of a university is salaries. She said the goal of raising salaries was admirable although she felt the salary increases should not be subsidized by tuition increases but rather by state appropriations and internal reallocations, as well, as was cited as ways of raising the extra revenue to fund the first year's 12 percent salary increase. She said the University of Northern Iowa had already reached the goal of being in the upper one-third of faculty salaries, due to the large increase this fiscal year. She said this was quite a large increase for one

year especially in light of the low rate of inflation as expressed by the Consumer Price Index.

Ms. Wubben stated that as state employees faculty should be paid by state money. By raising tuition to accommodate salary increases she said the Regents would place students in a terrible position. She said Board documents show that a 1 percent faculty salary increase requires $2.6 million while a corresponding 1 percent increase in tuition only generates $1.1 million. Therefore, she said it would take a two and one-half percent tuition increase to generate a 1 percent increase in salaries. At that rate she said it would not be long before many students would have to cut the number of hours in which they enroll, quit school to work for a year or two, or quit altogether, as many have already had to do, due to tuition costs. Ms. Wubben referred to the 18.7 percent set aside for financial aid and stated the increase in tuition would not be offset by the setaside.

Ms. Wubben said national trends and regulations regarding financial aid make it virtually impossible for students to have a job and still be eligible to receive a guaranteed student loan. Therefore, many students opt for a personal loan and find themselves $6,000 to $10,000 in debt upon graduation. She said federal financial aid representatives recommend that students save $900 over the summer months but that would barely cover one semester's tuition at the proposed increase, and allow nothing for books or living expenses. She said a student's ability to pay for college has stayed the same if not decreased while tuition has increased at a rate much higher than the rate of inflation in the past decade. Ms. Wubben noted that tuition has doubled since the 1980-81 school year. She added that if tuition were to increase with inflation, estimated at approximately 4 percent for the next year, and the increase were to cover increases in costs, and faculty salary increases were to come from state appropriations, it would seem to be a much fairer increase.

Ms. Wubben said the University of Northern Iowa students and administration are in agreement on the proposed tuition increase. She said students are not opposed to tuition increases but students are opposed to large increases to cover costs that should be covered by the state. Students seem to be especially hard hit when it comes to who pays for tuition increases. She said that when she was in eighth grade, the same year tuition was half of what it is today, the minimum wage was $3.35/hour. The minimum wage is still $3.35/hour seven years later. She said the Board of Regents does not have an impact on the minimum wage or the federal guidelines; however, it does have an impact on students and their parents. She said the ability of citizens of the state of Iowa to attend a public institution of higher education rests, in large part, on the Board and its tuition policy. She said the Board's actions will have a direct impact on the legislature -- if the Board continues to raise tuition above the inflation rate, in effect, it relieves the legislature from its responsibility to pay its employees.

President Pomerantz recognized Julianne Marley, President of the Iowa State University Government of the Student Body.

Ms. Marley noted that there were many students from Iowa State University outside the meeting room who rode on a bus from Ames to be in attendance at this meeting; however, fire codes did not allow for them to be in attendance. She requested that in the future when tuition is considered the size of the room accommodate all interested parties who wish to attend the meeting. (Later in the meeting Ms. Marley stated the University of Iowa had been able to get all the Iowa State University students into the building, and she thanked the persons responsible.)

Ms. Marley stated that it was with a sense of pride that she represented students of Iowa State University. She said she hoped she represented students not only of today but of the past and the future, as well. She provided the following facts for consideration:

> At Iowa State University the total minority population is 4 percent. She said the Board took a position that it would like to see that percentage increased. Ms. Marley viewed that position with skepticism since the Board has not provided the institutions with adequate funds to attract these student to our campuses.
>
> Ms. Marley said the increases in resident tuition have outpaced the growth of income of residents by 16 percent in the last ten years.
>
> In 1986 24 percent of entering freshmen were from families with annual earnings of less than $20,000 and 41 percent from families with earnings of less than $30,000. The average income of families sending students to Iowa State University is less than the average for universities nationally.
>
> Students in Iowa are paying a higher and higher percentage of tuition costs. In 1978 the percentage of university expenses met through tuition was 23.3 percent. That same figure for 1987 is 32.4 percent.

Ms. Marley referred to the Iowa farm crisis and said the newspapers are inundated with stories of what's happening to farm families. She said the burden has increasingly been placed on students.

Ms. Marley stated that on March 17, 1869, Iowa State Agricultural College was inaugurated as the first institution of its kind -- a land-grant university charged with the duty and privilege of educating the common working people. She said that to this day the university cannot charge tuition, so students pay "registration fees".

Ms. Marley quoted the following from the university's inaugural address:

> ... the ordinary Colleges are beyond the reach of the young man of limited means, and the young lady of any station, ambition or accomplishments. Their doors are closed to the poor, virtually from the great expense required, and are absolutely closed to girls and young women, through the prevalence of that remnant of barbarous ages, which holds that man is the lord of creation, and woman is inferior, and only entitled to such privileges as he sees fit to bestow upon her.
>
> It is one of the chief aims of this College to break down these barriers which belong to the darker ages of the past, and open these doors to any of God's people, whether high or low in social circles, rich or poor, white or black, man or woman. It is not in accordance with the spirit of the age, or the liberality of our State or National Government, to exalt the strong, the wealthy or the favored few, and trample upon the rights of the weak, the lowly, and the poor.

Ms. Marley said those were not the words of a student in 1869 but the words of Benjamin F. Gue, the first president of the Board of Trustees of Iowa State University.

Ms. Marley expressed concern about what is happening to that spirit at Iowa State University and the philosophy of public education in the state of Iowa. She referred to Gue's conclusion on that day in 1869, "Who of us can foresee the future of this Institution, which we this day dedicate to the education of the working people of Iowa", and said she feared she could see the future of the institution if the tuition increases continue -- the very people for whom this university was founded will be tragically cut from its ranks. She said that whether or not that happens is a decision in the hands of the State Board of Regents. She said that by the time the state realizes what it has done by neglecting its responsibility it may be too late to turn back. She appealed to the Board of Regents to be true to the history of the Board and the spirit of those who have gone before us, and to value the minds of those who seek to better themselves, and not to value those of abundant means more than those of meager means.

Ms. Marley said she eagerly awaited the Board's decision on tuition policy, and thanked the Board members very much for their time.

President Pomerantz recognized Mike Reck, President of the Collegiate Associations Council.

Mr. Reck stated that on the front page of the student newspaper was a reference to students confronting the Board of Regents about the proposed tuition increase. He said he wished to work with the Board and not turn it into a confrontation. He said the decision was the Board's to make. Although tuition increases are undesireable he said they are not

unacceptable, as reported in the newspaper article. He said students can express their feelings on the tuition increase but the Board decides the outcome.

Mr. Reck said state appropriations could be increased although the state of Iowa has seen a continual decline in state support for costs of higher education. He said that for every $1.00 of state appropriations for the Regent universities students pay $2.25. The significant decline in state appropriations has created a number of problems. He said Iowa ranks eleventh in the nation in tuition costs and is relying more and more on tuition income to cover those expenses. Since the beginning of this decade there has been a 105 percent increase in resident tuition and a 190 percent increase in non-resident tuition. Tuition is increasing faster than students can keep up with. He said there have been continual cuts in student aid programs and social security benefits for students.

Mr. Reck also believed the universities could do more in the area of efficiency and said the University of Iowa is among the most inefficient universities in the nation. He said he received a telephone call from a retired University of Iowa custodian who said that if university officials would only turn out their lights they could obtain a substantial fuel savings.

Mr. Reck reiterated that students are willing to work with the Board to accomplish an increase in university revenues.

Another concern Mr. Reck expressed was recruitment of minority students. He said most minorities come from outside the state of Iowa yet the Board Office was proposing that non-resident tuition be increased substantially. He said students are less able to pay tuition costs now than ever before. As an example of that he said disposable income increased at half the rate of tuition and financial aid does not make up for the increase in tuition. He said if the Board raises tuition it will be raising the total financial burden on students and their parents, although there has not been an increase in a student's ability to pay.

Mr. Reck stated this was the fourth tuition meeting he had attended. He said students' appeals had never had an impact on the Board's vote on tuition increases before and he wondered whether he should just bang his head once against the wall and leave.

Mr. Reck stated an important issue for the Board to consider was accessibility to higher education. He said many families cannot afford the high costs of higher education.

President Pomerantz stated the Board of Regents wished to express appreciation to the student representatives who spoke regarding the proposed tuition policy. He said the presentations were thoughtful and well done, and

the students had communicated their positions well. He made it known that the students are welcome at Board of Regents meetings any time. He said the Board would listen to what they had to say although they may not be able to agree.

President Pomerantz asked for comments from institutional representatives.

President Remington joined in congratulating the students and said that each year the arguments improve although each year it becomes more difficult with respect to inflation. He said that in periods where inflation was high tuition did not keep pace. They are now making an effort to catch up. He acknowledged that each time students were asked to accept more of the tuition cost it presented problems, and he agreed that many of the problems could be resolved if the increase could be accomplished with state appropriations. He said that as he has talked to people about the proposed tuition increase the question was whether it was feasible to expect even more of the students. He said tuition increases have to stop some place.

President Remington stated access to education needed to be dealt with because it is a very important matter in public institutions. He said access to education that is low quality was not the answer -- academic quality must remain a top priority. He said faculty salaries are still not competitive despite the large increase last year. President Remington expressed concern about the cost of education in Iowa and the market in which the institutions operate. He cautioned that as the Regents look at access they should pair access and quality -- not to maintain but to improve quality. He said someone has to pay the cost of maintaining quality and stated he was in favor of an increase in tuition.

President Eaton stated the Board of Regents did not have an enviable task. He said the eloquence of the students was profound.

President Eaton referred to a graph distributed to Regents and spoke about changes in sources of revenues and changes in tuition as far as amount of dollars per student. The graph indicated the student portion is 118 percent of what it was in the base year. He said the state has not been matching, in any sense at all, the increases demanded of the students. He said that very clearly the students are doing their share and quite a bit more.

President Eaton called attention to other data. In reference to Iowa's ratings in that data, President Eaton said that by full-time public students per 1,000 citizens Iowa ranks at 19th place which is 111 percent of the national average. He said Iowa has more public students per units of our population. He then referred to data on state appropriations comparison of dollars per student, and stated Iowa ranks 30th. He said that gives Iowa a 20 percent spread and shows that the state simply is not doing for higher education what is being done in a number of other states.

President Eaton referred to another chart showing changes in undergraduate characteristics and the average for the 11 surrounding states, including North Dakota, South Dakota, Nebraska, and Missouri which are also states dependent upon agriculture. He said that since 1979 tuition at Iowa State University has fallen farther and farther behind that of the other states. President Eaton showed from information contained on another chart that there is a measurable decrease in out-of-state students enrolled in Iowa universities. The chart showed steady gradual increases in the average out-of-state tuition increases of Iowa's surrounding states, but recent sharp increases in Iowa's out-of-state tuition. He said the state has been pricing non-resident tuition too high and was now beginning to see the first loss of those students.

President Eaton referred to the chart showing general university expense met through tuition income and total expenditures, and stated that whatever revenue growth the university has realized has come from tuition increases and not state appropriations.

In reference to the chart entitled "Undergraduate Tuition and Average Faculty Salaries in Constant Dollars", President Eaton stated that since 1981 faculty purchasing power has been coming back up. At the same time there has been relatively no change in resident tuition relative to the Consumer Price Index and a measurable increase in non-resident tuition.

President Eaton discussed what has happened since 1980 in the ratio between tuition, Consumer Price Index and faculty salaries. From 1970-1980 tuition went down steadily as opposed to the Consumer Price Index which, until 1980-1981, was at 59.3 percent. Therefore, for a full decade tuition was decreasing relative to the purchasing power. He said it has only gotten back in the last year to what it was in the 1970s.

President Eaton stated the dilemma is that in the proposed tuition increase the proportion the students are paying is going up once again which will be the highest at Iowa State University when looking at surrounding states. He said it will be a very high percentage -- students are asked to pay one-third of the cost. He referred to what Julianne Marley said, that the intention in the very beginning was that tuition would be free.

President Eaton referred to the last page of the information distributed by the university entitled "Faculty Salaries" and stated the figures were no more than a week old. He said there was still a salary problem at Iowa State University, even after the recent enormous salary increase. Prior to that salary increase Iowa State University ranked 11th out of 11 institutions and is still running in exactly the same place now. He said the average faculty salary at the university is $3,000 below the next highest university. He said they have closed the gap very slightly. He added that the issue of quality has to remain the highest priority and reminded everyone that there

is no such thing as free education. He said if students and their parents feel they cannot pay more, and elected officials feel the state cannot pay more, the quality of education will continue to decline. He said that although the university, through reallocation, can make adjustments to increase faculty salaries, he said they are coming to the edge of what can be done by way of reallocation. Iowa State University has reallocated tens of millions of dollars in a state heavily dependent on agriculture. President Eaton said another option was decreasing enrollments until they are able to bring the number of students in line with the university's revenues. He expressed great concern should the university be expected to reallocate again.

President Eaton stated the Board's dilemma comes from all the things he mentioned. He said he has to worry about the recruitment of faculty in a competitive market. He is eager to increase revenues however it must be done, even if it means increasing student tuition.

President Curris stated this was the fifth time he had participated in tuition discussion. He said over the previous four years he joined with his colleagues in supporting tuition increases, and had seen tuition increase approximately 50 percent in those 4 years. This year he differed with his colleagues. He said the executive officers at the University of Northern Iowa decided to oppose this tuition increase recommendation because of the impact on the students of Iowa. As a matter of public policy he is also concerned about the direction in which the state is going.

President Curris introduced Roland Carrillo, Director of Financial Aid and Student Employment at the University of Northern Iowa. He said Mr. Carrillo has served two other institutions in the student financial aid area for 13 years. He said Mr. Carrillo would address the Board about what has happened at the federal level and the impact on the students.

Mr. Carrillo thanked the Board for the opportunity to address an issue that effects students directly. He said many of the comments the Board had heard made sense; however, because the issue was human lives and not numbers he had taken examples of University of Northern Iowa students to share with the Board members how the federal government's changes in regulations are effecting students. He said he felt if he reduced the issue to that human level the Board would be able to see that there are other things happening besides tuition increases that are having dramatic impacts on the lives of students.

Mr. Carrillo stated PELL grant awards are taking dives. He said the tuition at the University of Northern Iowa in 1980 was $300 per semester and had risen to $800 per semester in 1987. He said the College Work Study and Supplemental Educational Opportunity Grant programs had remained pretty much stable, although they also have not gone up. In reference to U.S. government loans he said that as tuition goes up there is an increasing reliance on

loans for students. He said more and more students are borrowing more and more money and upon graduation turning to jobs that may be less than desireable in order to pay those loans back.

Mr. Carrillo shared the following examples of real students at the University of Northern Iowa:

> The student is a senior, lives with his/her parents, three family members, two people in the family are working, one is a laborer, $28,596 family income, $5,200 needed for student budget, received the maximum of $2,500 last year. This year the same family is expected to pay $3,910 and received a Guaranteed Student Loan of $352.
>
> Another student last year was classified independent. Because of a change in the law and a redefining of what independent student means, that student last year received a $2,100 PELL grant but this year is eligible for $-0-.

Mr. Carrillo stated that the additional financial burdens he outlined were without even considering the $150 proposed tuition increase. He asked if students cannot afford the tuition now due to the changes in student loan guidelines, how can students be expected to assume increased tuition? He said he is not against salary increases but it should not be at the expense of the students. He said the student who made the charts he used is a graphics arts student. She received financial aid last year but is not eligible this year. He said many of the students in the back of the room during this meeting were facing the very problem he had been talking about.

Mr. Carrillo said the students are our leaders for tomorrow otherwise they would not be in college today. He urged the Board to listen to what the students were saying.

President Curris stated he did not regret the decision to increase tuition in the past because there was a serious economic depression and it was imperative that quality be maintained and strengthened. He said the officials asked students to bear that cost.

President Curris referred to a graph that showed state and local tax dollar support for public college students, and said Iowa ranks 30th among the 50 states in support of public higher education. He said that as far as amount of tuition income of total operating budgets, Iowa ranks 12th of 50 states -- that puts Iowa 12th and 30th out of 50. The figures President Curris referred to were from 1986-87.

President Curris stated that as a matter of public policy the state of Iowa has gone too far in asking the student to bear the brunt of tuition increases. He said that his comments should not be interpreted as opposition to quality education. He said he is very much in favor of quality education

but he also has a sense of compassion and public responsibility. He said the students have been asked to contribute to tuition increases and they have responded. He said it is now time to seek a greater balance in the public contribution.

President Pomerantz asked for comments from Regents.

Regent Williams stated that one of her greatest concerns was the way the tuition increase would effect the Regents' commitment to minority enrollment.

Mr. Richey stated the Board Office recommendation of $1 million was for the first year of a multi-year program. He said the entire budget, as well as the tuition increase, is conservative in terms of need. He reminded the Regents that the state already committed to increase appropriations by $27 million for all employees of the Regent institutions. That amount compared to the $10 million additional tuition income creates almost a 3 to 1 ratio.

Regent Williams asked for the institutions to speak to the adequacy of $1 million as additional aid for minority students. She added that she thought the need was closer to $4+ million.

President Eaton responded that Regent Williams' recollection was correct -- the institutions had asked for a total of $4 million. He said his feeling about the $1 million was that it means they are going to have to enhance the number of minority faculty. He said the Board has had to wrestle a balance between many different priorities. The $1 million would not move the university very far in this direction because the issues are working against it.

Dean Hubbard said he calculated the student aid that would be needed to increase minority recruitment. He said the budget proposal sent into the Board Office included student aid dollars required to increase minority enrollment and attract the best qualified students. The amount of direct student dollars necessary for the first year of the program at the University of Iowa is $800,000. The amount needed for the rest of the program is $1,250,000, some of which would come from the tuition setaside.

President Eaton stated Iowa State University requested $1.45 million. He said an important point to remember is if we increase the base by $1 million it will go so far the first year, less far the second year, and so on.

Regent Williams stated that if the Board is serious about increasing minority enrollment the issue cannot be treated in this manner. She acknowledged that it is a very difficult process to recruit minorities, especially if there are no resources to allow the institutions to do so. Regent Williams stated the Board needed more than rhetoric -- it needed to show its commitment. She asked that the verbal commitment be followed with financial support for the

program. She said she understood the need for the increase in the tuition but it seemed the two goals were working at odds with each other.

Mr. Richey stated $1 million was a substantial first phase.

Regent Harris referred to President Remington's earlier remarks that tuition increases needed to stop sometime, somewhere. He said it ought to stop this year. Regent Harris joined those who already stated they understood the need for quality education and that it doesn't come without dollars, although he did not believe the dollars should come from tuition.

Regent Harris said the legislature should be given the challenge to make a greater payment toward public education. He told Mr. Richey he had his greatest admiration and respect, however, he had to oppose the recommended tuition increase.

Regent Harris referred to the response to his request to determine how tuition increases effect college enrollments. He said the information supported his theory that if you are a low income citizen your chances of going to college are slim. He said there was something else facing Iowans. Tuition for medical school students is proposed to increase $400. He said in Iowa by the year 1990 there is projected to be a physician shortage. President Remington stated Iowa ranks approximately 45th in physicians per capita.

Regent Harris stated the Board of Regents should give the Iowa legislature an opportunity to live up to its responsibility.

President Pomerantz stated the presentations and the positions made several points. They speak to a real dilemma in the state and in the country, and underscored that besides the economic impact of tuition increases, the Regent institutions must maintain the highest possible level of quality. He said salaries was another of the issues. He said quality of education must be a top priority for which the Board must either get appropriations, private grants, or additional tuition income. The job of the Board of Regents is to find a way to best apportion those resources. He said there was no question that the Board needed to be convincing with the legislature and the Governor, and that all those impact the institutions.

President Pomerantz stated that whatever the decision of the Board of Regents, the commitment the Board makes to the entire state is that it will do its very best to acquire as many funds from all sources of funds. He said the Board must solicit and sell the Iowa legislature and the Iowa givers.

President Pomerantz said the state of Iowa, perhaps more than any other state, needs to stand for quality education, which the Board must continue to perpetuate. He said that when students graduate and go out into the world it

must be with an education that will afford them the best possible result in the shortest amount of time.

President Pomerantz stated that if the Board of Regents and the state of Iowa are not successful in obtaining the dollars necessary to offer premium quality education, the students are the ones who will receive the most serious unjustness. President Pomerantz assured the citizens that whatever the decision the Board will be aggressive in seeking funds from every source.

ACTION: President Pomerantz stated the Board received the recommendation on tuition policies for 1988-89 by general consent.

President Pomerantz recognized Superintendent Johnson.

Superintendent Johnson stated he looked forward to many opportunities to work with the Board to serve the deaf people of the state of Iowa.

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.

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

The Board having voted at least two-thirds majority resolved to meet in executive session beginning at 4:42 p.m. on September 16, 1987, and arose therefrom at 5:32 p.m on that same date.

The following business was transacted on September 17, 1987.

PRELIMINARY BUDGET REQUESTS FOR FISCAL YEAR 1989. (a) Capital Improvements Budget. The Board Office recommended the Board (1) receive the report on fiscal year 1989 capital needs and requests; (2) approve the capital recommendations prepared by the Board Office totaling $36.6 million; and, (3) direct that the Board Office prepare interinstitutional capital recommendations for consideration by the Board in October.

The Regent institutions presented capital requests totaling $153 million. The Board Office recommended a fiscal year 1989 capital program of $36.6 million. In developing this recommendation the Board Office understood the capital program is for the second year of a biennium, and that any

bonding authority granted would be limited. Board Office staff went to each institution and discussed its capital needs before making the recommendation.

Sixty-five percent (65%) of the Board Office recommendation was for projects to upgrade existing utility systems. The emphasis on utility repairs and improvements reflected the institutional requests. The following table summarizes the Board Office recommendations.

Board Office Recommendations

Type of Project	Dollar Amount	Percent of Total
Utilities	$23.9 Million	65 percent
Animal Science Facilities	6.0 Million	16 percent
Remodeling	4.7 Million	13 percent
Planning	1.0 Million	3 percent
Fire and Environmental Safety	1.0 Million	3 percent
	$36.6 Million	100 percent

UNIVERSITY OF IOWA - Two major remodeling projects were recommended for the University of Iowa. One project will remodel the Old Law Center by correcting fire safety, building code and handicapped deficiencies as well as improving the building's mechanical and electrical systems. The other recommended remodeling project was for Maclean Hall, which is one of the Pentacrest buildings. This project will continue remodeling various areas of the 1912 building to enable more efficient use of space.

Planning funds were recommended for an addition to the Pharmacy Building. Planning is necessary to accommodate the growth in enrollment and research activity in the College of Pharmacy which is a center of excellence at the university and the only pharmacy program at the Regent universities. A portion of the existing Pharmacy Building will be remodeled as part of the construction project. The lack of modern research space limits the continued growth of the college and jeopardizes its respected academic standing.

Funding was not recommended for the School of Business Building or the Engineering Building addition. A total of $44.2 million was requested by the university for those two major projects. The organizational audit recently initiated by the Board may provide insight on how to approach problems identified by the university in engineering and business. Because of that factor and the constraints on the total capital request for the second year of the biennium, the Board Office concluded that these two projects could be best considered during the capital needs reviews for fiscal year 1990 -- the start of the next biennium.

The university identified several critical utility problems, three of which the Board Office recommended for funding. The first is construction of a new 15 kilovolt electrical substation to serve the eastern portion of the campus. The project was estimated at $3.8 million. An additional $1 million was recommended to extend Electrical Loop J which will distribute the electrical service from the new Substation L. The Electrical Loop J will assist in providing the required electrical capacity for the new Laser Laboratory Building. The other utility project is expansion of the university's water treatment plant to meet current and projected water treatment requirements.

IOWA STATE UNIVERSITY - Construction funds were recommended for replacement and improvements to the Animal Science and Veterinary Medicine research facilities at the university's five major research centers. The existing facilities are in extremely poor condition and severely limit the university's ability to remain in the forefront of research in swine and cattle nutrition management. The project is the initial phase of a two-year request to provide remodeling and new facilities to support the basic and applied research programs in Animal Science and Veterinary Medicine.

The other recommended Animal Science facility project will remodel laboratory animal facilities in various locations of the university. The upgrade of animal facilities is required so the university can continue to be eligible for public health service and other federal agency research funding. Approximately 60,000 square feet of animal quarters on the campus are not in compliance with modern laboratory care requirements. The $2 million recommended by the Board Office and requested by the institution was in anticipation of a grant from the National Institution of Health to assist the university in complying with animal care standards.

The Board Office recommended $2 million to finance the initial phase of a project to extend the university electrical distribution system. This phase will improve the reliability of electrical service by connecting the university's electrical system with the Midwest Utility Grid, without which the university's electrical reliability will diminish. The project will install two 69 kilovolt electrical interconnections with the City of Ames, including necessary transformers and switchgears. Capital funds for future years will fund the university's share of the cost of construction of a new primary feeder line to the Iowa Electric Light and Power Company grid system. The electrical interconnection project was included in the Regents' 1988 capital request for $2 million.

The other utility project recommended was funding of $2 million of the university's contribution to construction costs of a new water pollution control plant under construction by the City of Ames. The total cost of the project is $26 million and Iowa State University is committed to providing $4.5 million. The Board Office recommended that the initial $2 million be financed this year, with the remaining $2.5 million to be financed in subsequent years.

UNIVERSITY OF NORTHERN IOWA - The construction of replacement boiler capacity at Power Plant #2 was recommended for the University of Northern Iowa. The project will replace the boiler capacity that is lost with the demolition of Power Plant #1, which is located near the center of campus. The $11.1 million project will replace four boilers that are outdated and inefficient. In addition, the old power plant is located on the preferred site of the new Classroom/Office Building.

Funding was recommended for remodeling of Wright Hall. The 1914 structure no longer adequately supports modern instructional programs. The remodeling would upgrade various building systems, including electrical and ventilation.

IOWA SCHOOL FOR THE DEAF - Funding was recommended for preliminary planning of necessary facility improvements at the Iowa School for the Deaf. The project involves an evaluation of the present buildings and identification of physical improvements needed to support the physical education, recreational and residential programs. Specifically, the project will address alternative solutions and develop schedules for phased implementation of the approved plan. The planning will involve two potential projects. The first is a new building for recreation and physical education activities. The second is remodeling of three floors of the main building to convert the existing dormitory wings into modern living quarters for the male student population. The project will enable the residential program at the school to reflect more acceptable living patterns and ease the eventual transition of the students to living arrangements outside of the school.

Due to the size and the interrelationship of the two projects, joint planning funds totaling $400,000 for both projects were recommended.

FIRE AND ENVIRONMENTAL SAFETY PROJECTS - Funding of $1 million was recommended to continue the ongoing program at Regent institutions to correct fire and environmental safety deficiencies. Each university has addressed outstanding problems identified by safety officials and the State Fire Marshal's Office. The recommended funds will be allocated among the institutions to address the most urgent safety deficiencies.

Mr. Richey stated the universities and the special schools proposed many attractive capital projects. The institutional requests totaled $153,000,000 which was in addition to the $65 million in bonding for the current year. He said the biennial program totaled $220 million. Given the state's limited ability to finance capital through appropriations the Board Office recommendation addressed only the most critical projects for consideration of the Board. Mr. Richey said the Board Office would prepare interinstitutional capital recommendations for consideration by the Board in October after the Board receives institutional comments and issues additional instructions to the Board Office.

President Remington congratulated the Board and Board Office for dealing with a very difficult problem -- availability of capital funds. He said University of Iowa officials understood why it was impossible to fund the total amount requested. He said he wished to concentrate his comments on the relationship between construction needs in the Business Administration Building, Engineering Building addition, and the Pharmacy Building addition. The university's highest priority needs are for new facilities in Business Administration and Engineering. He recognized the need in the Pharmacy Building; however, there was a higher level of need for Business Administration and Engineering. He said that last year the Board recommended funds for the College of Engineering and the College of Business Administration, and nothing for the College of Pharmacy. In the past the Board has recognized that other projects must precede the needs of the Pharmacy Building and, therefore, he asked the Board not to turn the priorities around. He asked for permission to begin the initial planning stages for Business Administration and Engineering. University officials requested that if full construction funding was not practical the Board at least approve planning funds in the amount of $1 million each. He strongly urged the Board to make that change in the Board Office recommendation and approve planning funds for all three projects -- Business Administration Building, Engineering Building addition, and the Pharmacy Building addition.

Regent Fitzgibbon asked for the amount of funds needed for the planning stage of the Pharmacy Building.

President Remington responded that $600,000 was requested by the Board Office. The university requested $1,500,000. He felt it would be a very good beginning if the university received an amount that would allow them to get the planning stage underway. President Remington added that the Business and Engineering Facility projects had already been displaced because of the Laser Laboratory and he did not wish to further delay those projects.

Regent Fitzgibbon stated he was impressed with the research efforts taking place at the Pharmacy Building. He said there was an urgency in that area, especially for several projects they would like to undertake. He acknowledged the constraint in dollars but asked that consideration be given to finding some way to obtain funding for that building, even if it were only funds for the planning stage.

Regent Duchen agreed with Regent Fitzgibbon and said one thing that should be kept in mind was that the individuals working in that area are producing one-of-a-kind pharmaceuticals under the direction of Professor John Lach, Associate Dean of the College of Pharmacy. He said the space and equipment was very limited. Regent Duchen added that most of the money obtained for Pharmacy is raised by the department itself.

Regent Fitzgibbon stated the Pharmacy Department is on the leading edge of many projects, and asked that they not be forced to drop back from first

position. He said there should be some way to fund planning for all three projects.

Regent VanGilst suggested funding the additional $900,000 requested by the university for the Pharmacy Building, and adding planning funds for the Engineering and Business Administration Buildings projects at $1.5 million each.

President Remington stated the university's original request was $2.1 million for the Engineering Building addition, $2.32 million for the Business Administration Building, and $1.5 million for the Pharmacy Building addition. He said if those requests were reduced to $1 million, $1 million and $0.6 million, respectively, the university would still be able to get planning underway.

MOTION: Regent VanGilst moved to revise the University of Iowa capital program to include $2.6 million total planning dollars for the Engineering Building addition, Business Administration Building, and the Pharmacy Building addition. Regent Harris seconded the motion, and it carried unanimously.

Vice President Madden stated the Board Office summary of Iowa State University's capital requests, in principle, followed the university's priorities: renovation of the Livestock Units for Cattle and Swine Research, remodeling the Laboratory Animal Facilities, and increased electrical capacity. He said the dilemma of Iowa State University involves projects that were not included in the Board Office recommendation. He hoped that within the next year the Intensive Livestock Research Facility planning could begin. The project includes an animal science addition to Kildee Hall and an addition to the Veterinary Medicine Research Institute to address a need for adequate facilities. He said those are key areas at Iowa State University and in its mission; therefore, he hoped to include some planning authorization for that project in the coming year.

Vice President Madden said Iowa State University also included in their list of capital requests several federal initiative projects. Those projects include the National Science Foundation Research Center and the Microelectronics Research Center. He predicted that both of those programs had a reasonable chance of attracting outside federal funding and private support, although whether both of those would be successful and the timeframe by which funds could be expected was hard to measure. He said representatives in Washington, D. C., would likely be critical if there was no indication of state support for those projects.

Vice President Madden said the other project he wished to comment on was the Agronomy Building equipment needs. Even though it has been on their capital request for several years he said the equipment still was not included. Iowa State University officials recognize problems with the amount of capital funds available but requested the Board incorporate some flexibility for the university to move forward in that area.

President Pomerantz asked how much additional funding the university was requesting.

Vice President Madden responded that the Intensive Livestock Research Facilities planning request was for $0.5 million. He said the other projects varied in size. In regard to the federal initiative projects the university hoped to be successful in obtaining those federal funds but the likelihood was 50/50.

President Pomerantz asked what were the construction dates on the Intensive Livestock Research Facilities? Vice President Madden responded that the request was for planning dollars. The university hoped within the following year to receive funding for the actual construction.

President Pomerantz stated the Board Office recommended funding for an animal science facility. Mr. Richey stated there were two separate projects totaling $6 million. Vice President Madden stated the animal care facilities on campus were not the same project as the Intensive Livestock Research Facility.

President Pomerantz asked how those projects ranked with the others the university proposed. Vice President Madden responded that the Laboratory Animal Facilities had to take a higher priority because the university is not meeting federal standards for animal care.

Regent VanGilst asked if the Agronomy Building was still empty. President Eaton responded that laboratory equipment had been relocated to the Agronomy Building. Regent VanGilst asked if the university had built a new building and was still not able to equip it. President Eaton responded that no money had been provided for that. Regent VanGilst stated something was wrong somewhere when we build a new building but can't use it.

Mr. Richey stated the Board requested Agronomy Building equipment funds on two occasions and was turned down by the legislature. In doing so the legislature directed the university equip the building from its own funds.

Regent Fitzgibbon stated it would be helpful at the next Board meeting for the Board to be provided additional information on the priorities at Iowa State University.

President Pomerantz stated the priorities of the Board Office were appropriate. He said the university requested the Board give additional consideration to allowing $0.5 million more planning dollars.

MOTION: Regent Greig moved to revise the Iowa State University capital program to include $0.5 million planning dollars for the Intensive Livestock Research Facilities. Regent Harris seconded the motion, and it carried unanimously.

Regent Duchen asked where the funds for the Agronomy Building originally came from. Mr. Richey responded the funds were from bonding. Vice President Madden stated the university also used some private funding.

Regent Duchen asked how long the building had been there. President Eaton responded it was built a little over a year ago. Regent Duchen asked if the building was being used. President Eaton responded that some of the building, especially laboratory facilities, was in use.

President Curris asked the Board to consider a proposal which had been before them for some time but was not included in the Board Office recommendation -- the university library addition. He was concerned about the need to expand the fourth floor of the library. Last year that project was listed as the university's first priority although they had several high priority projects. He said Regent Duchen made a strong case for the university's boiler project; therefore, the Board "flip-flopped" the university's priority list by switching the library and the boiler projects' priorities. The General Assembly did not follow the Board's priorities. Neither the boiler project nor the library addition were funded. He said a severe problem would result if the Board did not endorse the library addition this year. He said it would send a signal to the campus that they had retreated from the library altogether. President Curris asked that the Board not go the next step of not ranking the library at all.

President Pomerantz asked for the amount of planning dollars involved.

President Curris responded that the university had never addressed the amount of planning dollars separately from the whole project, which was $6.1 million total.

President Pomerantz stated that Board Office staff estimated planning dollars to be $400,000.

MOTION: Regent Duchen moved to revise the University of Northern Iowa capital program to include $400,000 planning funds for the university library fourth floor addition. Regent

Fitzgibbon seconded the motion, and it carried unanimously.

Regent VanEkeren referred to the Board Office recommendation to fund fire safety projects at an amount of $1 million. She said the three universities together requested $1.52 million. Fire safety projects had been a top priority for some time and something Regent VanEkeren felt the Board should put forward. She noted that neither of the special schools requested fire safety funds.

MOTION: Regent VanEkeren moved to increase the Fire and Environmental Safety Corrections (all institutions) funding recommendation from $1 million to $1.52 million. Regent Williams seconded the motion, and it carried unanimously.

Superintendent Johnson stated the Iowa School for the Deaf residential program was extremely important. He said approval of the institution's capital request would help them get started.

Regent Harris asked what was decided regarding equipment for the Agronomy Building.

Mr. Richey responded that the Board Office will review that situation and come back in October with a recommendation.

PRELIMINARY BUDGET REQUESTS FOR FISCAL YEAR 1989. (b.) Operating Budget. The Board Office recommended the Board (1) receive reports on operating budget requests for fiscal year 1989; (2) give preliminary approval to Board Office recommendations on general policies for the fiscal year 1989 operating budget requests; and, (3) direct the Board Office and the institutions to incorporate recommendations made by the Board at this meeting in final fiscal year 1989 operating budget requests to be presented in October.

The institutional requests and the Board Office recommendations for operating budgets for fiscal year 1989 are summarized below. With the exception of salaries, recommendations on the operating budget requests for the special schools were deferred until October to provide additional time for discussion between the Board Office and the superintendents.

Salaries. Faculty salary increases of 13 percent were requested by the universities and recommended by the Board Office. Special school faculty salary increases of 7 percent were recommended.

The Board Office recommended 7 percent increases for Professional and Scientific staff. The institutions 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 accordance 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. Recommendations for utilities budget requests will be provided to the Board in October, following further consultation between the institutions and the Board Office. 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 requested a total increase of ten percent.

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 requested an additional $9.2 million based on a standard depreciation formula.

Library Books. Eighteen (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	$1.3 million
Iowa State University General University	$1.3 million
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 $1.0 million was recommended by the Board Office. The institutions requested a total of $4.075 million.

Improving Educational Quality. A total of $17.0 million was recommended by the Board Office:

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

The recommended Regent requests for supplies and services and for equipment were 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. The Board Office recommendations included a projection of $143.1 million in tuition income, after considering projected enrollment changes, the 9 and 12 percent tuition rate increases recommended to the Board this month, and increases in student aid. The projection of tuition revenues was subject to revision on the basis of more current enrollment projections in October.

A loss of $1.5 million in federal funds for the Cooperative Extension Service was projected by Iowa State University since carry-over funds are not expected to be available.

A total increase of $11.1 million was projected in sales and services income, primarily in paying patient income at the University Hospitals and Psychiatric Hospital.

No significant changes were projected in other income, which includes indirect cost recoveries and investment income.

Special Purpose Appropriations. The Board Office recommendations for special purpose appropriations will be presented in October 1987.

Supplemental Appropriations Request, Fiscal Year 1988. The Board Office recommended a supplemental appropriations request for fiscal year 1988 to support unfunded needs for comparable worth, health insurance premium increases, and losses in salary adjustment funds. The total request is expected to be between $4.0 and $4.5 million. Details of the request will be provided in October.

Mr. Richey stated the Board Office recommended total institutional operating budget requests for fiscal year 1989 of $778.4 million, an increase of 12.6 percent over fiscal year 1988 as compared to cumulative institutional requests of 19 percent. The recommendation included an appropriation request of $440.5 million, an increase of 18.3 percent over fiscal year 1988. Over $52 million of the increase is for faculty salary increases and Improving

Educational Quality. He said the recommendation on salary increases did not address all the needs. Faculty salary increases of 13 percent were recommended in continuation of the three-year plan proposed by the institutions last year. He said tuition revenues generated by the proposed tuition increases along with anticipated state salary adjustment funds would only support 10 percent faculty salary increases at the University of Iowa and Iowa State University. An additional $250,000 in state appropriations would be necessary to fund an equal increase at the University of Northern Iowa. Additional state funds would be requested to fund the remaining 3 percent faculty salary increases at each of the universities. Mr. Richey said the recommendations for Professional and Scientific staff salaries were at the presently-established policy of 7 percent for fiscal year 1989. The Board Office recommended special additional funds for supplies, services and equipment to keep up with price inflation, to address cutbacks during prior years, and due to extraordinary needs of the schools.

President Remington introduced Marilyn Somville, School of Music Professor and Chairperson of the University of Iowa Faculty Senate, to speak to the Board on faculty salaries.

Ms. Somville expressed the faculty's appreciation to the Board for making faculty salaries their highest budget priority, and especially for the commitment to a faculty salary policy that would produce a 13 percent average increase in each year of the three-year period beginning in 1987-88. She said she believed everyone was united in the conviction that the three-year plan is a rational plan for alleviating a serious salary predicament. She said she also believed that everyone agreed the "thirteen percent solution" was never thought to be a one-time remedy but one requiring continuous application until desired results were achieved.

Ms. Somville referred to 1986, a year of zero increase in faculty salaries. Having served for the last seven years as director of one of the largest schools in the College of Liberal Arts, she said she had seen the devastating effect the lean salary years had on the faculty and ultimately on academic programs. During those years faculty had to deal with increasing enrollments, approximately 43 percent, whereas the size of faculty in the College of Liberal Arts increased by only 4 percent. There was a tightening up of individual and departmental review procedures, the working out by faculty of more rigorous tenure/promotion criteria and greater competition among faculty for merit raises. She said it was no wonder that throughout this period faculty morale flagged dangerously and the university lost some of its best faculty.

Ms. Somville, as a middle manager whose primary responsibility is maintenance of a large, excellent and nationally-recognized program, found it devastating to lose three of her best faculty in a three-year period. She said the faculty in question were gifted individuals who had built their professional careers at the University of Iowa and had distinguished themselves nationally

and internationally through research and performance records established while they were at the university. They were hired away by other institutions as distinguished faculty at top salaries plus attractive fringe benefit packages. Whereas the University of Iowa could provide for career development, she said they were unable to afford those scholars/teachers at the peak of their productivity. Ms. Somville stated that when it came time to replace them with persons of comparable stature, the university was literally priced out of the market by competitive institutions.

Ms. Somville stated she was relieved to now be able to tell faculty there was a rational plan in place to improve salaries. In addition to actual dollar increases in the monthly pay checks, she said the first phase of the salary improvement plan had resulted in a restoration of confidence that the faculty are on the way up. She said it was important that faculty renew their hopes and recommit themselves to their careers at the University of Iowa.

Ms. Somville urged the Board of Regents to reconfirm its commitment to the plan adopted last year and to strive for funding that would allow the same 13 percent increase for 1988-89.

Regent Duchen asked when Board members would again receive the list of faculty members that have left the institutions.

President Remington responded that item was on the Board of Regents agenda annually in October.

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

Mr. Gronbeck stated there is a mounting frustration among faculty as a result of the fight for supporting materials and personnel. There are new word processing and data analyzing programs some faculty would like to purchase for personal computers. He said there is a need for technically-trained computer programmers, repair technicians and librarians to assist faculty in making use of existing technological and print resources. As scholars he said they need the newest information and ideas which appear in a never-ending stream of journals, magazines, and books.

Mr. Gronbeck stated the faculty is grateful to the Board of Regents for its willingness to present their salary needs to the legislature and the state. He hoped the Board would fight especially hard for items that represent the cost of doing business in a technology-rich and forward-driving research and teaching university. Last fall the University of Iowa Faculty Senate pleaded with university officials to make increasing library resources a number one priority. He said that until computerization of the library system is complete faculty will not have access to millions of pieces of information available electronically. He added that students are also cheated when funding for books and scholarly journals is not maintained.

Mr. Gronbeck illustrated how he, as Chair of the Department of Communication Studies, attempts to keep his department's Supplies and Services expenditures at a minimum: urges his faculty to let faculty from other universities initiate the telephone calls, requires use of special fourth class mail for larger envelope shipments, denies requests for even minor amounts of money related to research needs (i.e., $200 for federal hearings transcripts, $350 for a desktop publishing program, $1,500 for a small optical printer).

Mr. Gronbeck also encouraged the Board to support the need for additional Professional and Scientific staff, and to link their salary increases to faculty increases. He said that until this year when his department was allowed to hire a film technician, faculty were forced to repair film cameras in addition to their responsibilities for teaching and making their own films. He said the film technician also specializes in answering students' technical questions about their equipment. He noted the technician receives a significantly smaller salary than faculty members.

In conclusion Mr. Gronbeck stated that while the faculty is concerned about the costs of a quality faculty, they also know quality education depends upon chalk, erasers, paper, computers, computer technicians, tolerable class space, books, journals, and expensive equipment. Faculty hope the Board can convince the legislature and the citizens to return its public higher education to the "top of the heap" over the next few years by convincing them that investment in higher education brings them hundredfold returns.

Regent VanGilst asked what the compounded effect of the recommended 13 percent/13 percent/13 percent three-year salary plan was. President Remington responded that it resulted in a 40.3 percent increase over three years. Mr. Gronbeck said the base salary would raise approximately 32 percent.

Mr. Gronbeck made a reference about a faculty group that would be lobbying the legislature. President Pomerantz said he hoped that lobbying efforts would be coordinated with the Board of Regents. Mr. Gronbeck assured President Pomerantz that those efforts would be coordinated with the Board as well as with Frank Stork. President Pomerantz stated it would be divisive to plant ourselves in opposite views.

Regent Duchen asked about Mr. Gronbeck's reference to computerization of the library, and said it was his understanding that the computerization process was already taking place.

Mr. Gronbeck stated it was underway. He said he was emphasizing that it was an important budget item for the faculty this year for accessing information they cannot get in any other way.

President Remington emphasized points made by Ms. Somville and Mr. Gronbeck: (1) that the university must not lose ground gained the first year of the three-year faculty salary plan, and (2) the Supplies and Services budgets are critical to the well being and improvement of quality education.

President Eaton stated he was highly supportive of next year's 13 percent faculty salary increase. He referred to an exhibit which illustrated the Regent universities' rankings in comparison to faculty salaries at comparable institutions. President Eaton was concerned about the contrast in faculty salaries among the three institutions despite the sizeable salary increase this year: the University of Iowa has advanced from 11th to 9th rank, the University of Northern Iowa advanced from 9th to 4th rank, but Iowa State University remained 11th out of 11. He was also concerned about the difference between average salaries for all institutions and stated that in comparing the Regent universities with those listed directly above in the ranking, the largest discrepancy existed with Iowa State University salaries.

President Eaton stated representatives of the Iowa State University Faculty Senate as well as the Professional and Scientific employees would like to speak to the Board. He said the Professional and Scientific presentation would be a conjoint effort of the Councils from the three Regent universities. President Eaton introduced Dr. Jeffrey Huston, Chairman of the Iowa State University Faculty Council.

Dr. Huston presented an update on the current faculty salary situation at Iowa State University. He said the faculty thanked the Board for approving this past year's much needed 12 percent average increase in faculty salaries. The increase was indeed a welcomed start on the road to restoring faculty salaries to competitive levels. However, he emphasized that last year's 12 percent average increase was only a start and that this level of increase is needed over the next several years before faculty salaries at Iowa State University are indeed competitive.

Dr. Huston stated faculty salaries at Iowa State University, at all academic ranks, are low. He said the faculty at Iowa State University have been and continue to be grossly underpaid compared to their colleagues at other comparable universities, including the University of Iowa.

Dr. Huston presented data that showed the severity of the faculty salary situation at Iowa State University. He said it illustrated the magnitude of the problem facing Iowa State University in its uphill fight to make faculty salaries competitive. He said that in comparative terms, faculty salaries have worsened in the past few years to the point where they are shameful to Iowa State University and the state of Iowa. He said that last year, when the Board of Regents accepted Iowa State University's list of ten select land grant universities for comparison purposes, it showed that the university's faculty salaries ranked last, eleventh out of eleven. He said that even after this year's 12 percent average faculty salary increase Iowa State

University still ranks last, eleventh out of eleven. He said if you take the difference in the Iowa State University average faculty salary level (all ranks) and the average faculty salary of the eleven land grant universities (all ranks) it shows that each faculty member at Iowa State University, on average, is underpaid by $5,729 this year alone and has been underpaid by $50,949 over the last ten years.

Dr. Huston stated the issue of raising Iowa State University faculty salaries is only the tip of the iceberg in the university's overall budget problem. In order to allow the faculty to be competitive in the research and educational arena, he said a massive infusion of funds is required to bring other aspects of the university's budget into balance. These funds include such items as department current expense budgets for classroom materials, photocopying, long-distance telephone calls, and postage; travel budgets for presenting papers at conferences and visiting federal funding agencies; publication budgets for technical and scientific journals; and support budgets for technicians and secretaries. Without these essential support budgets, he said the faculty become paralyzed in their efforts to make Iowa State University a first class university.

Dr. Huston stated that as a land grant university, the state has the primary responsibility for funding Iowa State University. He said Iowa's legislature must be convinced that in order to avoid having Iowa State University degrade to a second rate institution massive funding increases are needed, the funding increases are needed now, and the funding increases must continue for the next several years.

Dr. Huston concluded by stating it is time for the Board of Regents and the state of Iowa to decide what type of university Iowa State University is to become.

President Eaton referred to data which illustrated that the Regent institutions have been paying Professional and Scientific salaries that are substantially below the national average. If that continues he felt it would have a direct impact on Iowa's emphasis on excellence in higher education. He said if the state could not afford to move in the direction of adequately compensating its employees then maybe the state cannot afford excellence in higher education. He said if that was so then he felt the faculty should be told so they could make personal decisions.

President Eaton said that since coming to Iowa it had become clear to him that the state has not been providing the kind of faculty salaries that would lead to excellence in education. He said the data he had seen were not a reflection of a way to encourage excellence in education.

President Pomerantz stated the Regent institutions could not afford to be less than excellent. He said the Board has to resolve the problem and the opportunity it presents in a different manner.

President Eaton stated eighty (80) percent of the budget is for salaries. He did not anticipate receiving an endowment so large it would yield the funds necessary to address the salary issue; therefore, it would have to come from state appropriations or tuition increases.

President Pomerantz recognized Superintendent Johnson.

Superintendent Johnson stated deafness is the most difficult disability to deal with educationally. He said a similar difficulty is faced when educating deaf counselors. It is difficult to instill within deaf youngsters the development of communications and he said it was only because of the excellent staff at Iowa School for the Deaf that they have been successful. He applauded the staff for that. He asked the Board of Regents to reaffirm the need to do special things for this special population. He said the focus on compensation must continue as well as focusing attention on creating opportunities for staff development which should result in improved quality of education for the deaf citizens of Iowa.

Superintendent Johnson said times are changing and needs are changing. He said it costs to be educated and the Board would do well to face those challenges now with the excellent staff they have. He introduced the Chair of the Faculty Senate, Lois Cole, to share the needs and perceptions of the faculty.

Ms. Cole stated the faculty at the Iowa School for the Deaf appreciated previous accomplishments of the Board on behalf of faculty salaries, and asked for their support of a salary proposal which she hoped would achieve mutual goals. She said that when the Governor's salary proposal became a reality it reaffirmed that education is a top priority in the state of Iowa. The Iowa School for the Deaf faculty also reaffirmed their commitment to provide excellence in care and education of the state's hearing impaired.

Ms. Cole provided the Board with data to support the faculty's following proposals:

* A 7 percent increase in salaries with 2 percent designated as merit pay, provided within a <u>restructured</u> salary scale.

* Additional steps on the vertical scale be provided in consideration of faculty longevity and expertise.

* Restructure the horizontal scale increments to encourage additional post-graduate education by the faculty.

* Regain "frozen" vertical step (year of experience) for 1983-84 school year.

* Allocate monies for staff development to increase the opportunity for professional and community educational programs.

* Iowa School for the Deaf faculty, in conjunction with the administration, be involved in the development and initiation of the merit pay system criterion and delineation of awards.

* Funds for supplemental pay be increased and re-evaluated based on hours of involvement and responsibility outside of school.

Ms. Cole said thirty-two (32) percent of faculty are at their peak salary levels. In regard to the request for allocation of monies for staff development to increase opportunities for workshops and professional growth, she said faculty hoped they could rely on the Regent institutions to bring workshops to the Iowa School for the Deaf.

Ms. Cole thanked for the Board for its time and said that through positive interactions faculty hoped their mutual goals would be realized.

Michelle Rickels, faculty representative for Iowa Braille and Sight Saving School, stated members of the faculty expressed appreciation to the Board for the interest and support shown on their behalf. She said with the provision of the $18,000 beginning salary base the special schools' salaries have become more competitive.

Ms. Rickels asked that the Board consider the 7 percent salary increase recommended by the Board Office, a cost-of-living allowance and a faculty salary schedule equal to that of the Iowa School for the Deaf for faculty at the Iowa Braille and Sight Saving School. She asked for consideration of the following issues: the training required to educate handicapped students, the fact that there is no teacher preparation in visual impairment in the state of Iowa, the limited number of teachers for the visually impaired, the need for maintenance of active recruiting efforts, a shortage of teachers around the country which is becoming more serious rather than better, and the fact that teachers are in need of continued training.

Ms. Rickels said a committee of faculty members is studying phase three of the state's faculty salary bill. Phase three monies are proposed for professional activities beyond the school hours which would enhance services to the citizens. The faculty would like inclusion of the special schools in phase three of the state faculty salary bill.

Vice President Phillips stated faculty salaries are of vital importance to university officials, as well as Professional and Scientific salaries. She said the gap created between faculty and Professional and Scientific salaries has also caused concern on campus. The University of Iowa requested an 11 percent overall Professional and Scientific salary increase to address the salary discrepancies and address problems the situation is creating.

Associate Vice President Small referred to the materials provided by the university, and stated they tried to set forth the desperate need for increasing Professional and Scientific salaries. As an example she said that in the College of Medicine faculty are expected to teach, perform research and treat patients. She said the faculty depend on professional staff to carry out research. She said the faculty tell her that the salary schedules are insufficient to keep people of high caliber and they eventually move to other places. She said she annually receives communications from the Physics Department stating they are having difficulty retaining people to run their research projects. Since the research in that department has brought international fame the university is literally competing with Rockwell and Teleconnect. She referred to the university's exhibits as illustration that the whole scale of salaries is simply too low -- 25-30 percent below what they feel they need in order to retain qualified people. Last year the university asked for a three-year salary program of 11 percent/year just as they have for the faculty; however, last year they received appropriations for the Professional and Scientific staff of three and one-half percent from the state. Associate Vice President Small stated the university doubled that percentage through internal reallocation, although that had two very negative effects: (1) ability to recruit and retain people and (2) the great variance from past practices of the Regents for similar percentage of increases for the faculty and the staff. She said the variance appeared to be telling the staff that they were not as valuable as faculty. She stated the variance greatly affects the university's ability to do the job expected.

Associate Vice President Small asked the Board to support an 11 percent increase for Professional and Scientific staff for the next two years, and said the university will do its utmost through internal reallocation to recouple Professional and Scientific and faculty salaries at the 13 percent level.

Associate Vice President Small introduced Iowa State University staff and stated that their presentation was supported by the staff at all institutions.

Mark Settle, Chair, Professional and Scientific Council, Iowa State University, stated his presentation was a conjoined effort by the Councils from all three Regent universities representing 6,500 Professional and Scientific employees. He said actual salary increases of last year were two percent less for faculty and a disappointing 4 percent less for Professional and Scientific employees than the requested 13 and 11 percent increases. Additionally, he said one-half of the Professional and Scientific salary increases were generated from internal reallocations whereas less than one-tenth of the faculty salary increases were generated by internal reallocations. Employees are concerned that continued reliance on internal reallocations to provide Professional and Scientific salary increases would likely result in further deletion of Professional and Scientific positions at

the Regent institutions. Mr. Settle provided examples of employees who had left Regent institutions for better employment offers.

Mr. Settle stated Professional and Scientific staff are responsible for conducting externally-funded research at the Regent institutions. Loss of those staff would have an adverse effect on the ability of the universities to acquire external funding for research.

Mr. Settle said the legislature's commitment to educational revitalization should be reflected in Professional and Scientific salaries, where the average entry level salary is $17,329 for a 228-working day period although the positions have similar educational requirements as those imposed upon Iowa public school teachers.

Mr. Settle stated the three Councils acknowledged the Board's obvious commitment to education and economic development in the state, and asked for Board support to recouple the faculty and Professional and Scientific salary requests of 13 percent for next fiscal year.

President Eaton called on Pat Piper, President of the University of Iowa Staff Council.

Ms. Piper stated she was representing the University of Iowa. She said she endorsed Mr. Settle's statement.

Ms. Piper gave the following examples of Professional and Scientific staff salary inequities:

> Staff pharmacist at the University of Iowa, minimum salary $22,380 and maximum salary $33,495. New graduate in Pharmacy seeking employment in a local pharmacy, beginning salary $33,000.
>
> Assistant Research Scientist position (2-7 years post Ph.D.) at University of Iowa has a minimum salary of $27,000 and a maximum salary of $36,000. The same position at the University of Wisconsin has a minimum salary of $35,000 and a maximum salary of $42,000.

Ms. Piper stated the salary scales currently used at the Regent institutions are not competitive either at the minimum or the maximum levels. Often, she said, private industry has higher starting salaries, unpublished ceilings and more flexibility for movement within the organizational system to retain key employees. She said the faculty are supportive of recoupling the Professional and Scientific and faculty salaries, and asked that the Board give strong consideration to the recoupling.

Ira Tolbert, President of the Professional and Scientific Council at the University of Northern Iowa, stated there is a substantial gap in Professional and Scientific salaries. He said they are lagging by almost 28

percent. He said that while the employees recognize the Board's efforts to dramatically improve salaries, nevertheless the opportunity to rectify the situation rests with the Board.

Mr. Tolbert said the Professional and Scientific staff sought the Board's support in providing a remedy for the salary situation. Further, they requested support for the broad policy features outlined in the joint statement. On behalf of the Professional and Scientific Council at the University of Northern Iowa, Mr. Tolbert said their members enthusiastically supported the joint statement. At the same time they asked for the Board's heartfelt attention and reconsideration, and a resolution of the salary situation with "catch up" funds.

President Curris stated University of Northern Iowa officials endorse the position and are in favor of recoupling.

Vice President Phillips expressed appreciation to the Board Office for the care taken in their recommendation to the Board. She said that from discussion among the institutions had come a request for a definition of the split contemplated with respect to the supplies and services lump sum requested. The institutions requested a definition for the October Board meeting.

President Pomerantz stated there was one additional item that the Board must speak to, which was the area of Improving Educational Quality and the commitment to improving in the affirmative action area.

President Remington said that in March the Board adopted a goal of achieving 8.5 percent minority enrollments at each of the Regent universities by 1991. He said the $1 million recommended by the Board Office for all institutions would not be sufficient to accomplish that goal. The University of Iowa alone requested $1.3 million. University officials regard this as a very critical proposal because there are simply too few minority students and faculty on the campuses. President Remington stated the $4.075 million total requested by the Regent universities was little enough and he felt the Board of Regents should authorize that amount.

President Curris referred to the Board Office recommendation regarding funds for opening new buildings, and particularly to the recommendation to not fund requests for some of the unfunded costs for buildings occupied in prior fiscal years. President Curris' concern was the Art Building for which the university had not received funding. He said he wished to alert members of the Board that the university is in a difficult situation due to possible litigation over the technical equipment in that building. The university had to move into the building without the full complement of technical staff or necessary additional support for that building.

President Curris was also concerned about the University of Northern Iowa request for $1 million Improving Educational Quality funds for Enhancement of Teacher Education Programs. The Board Office recommendation was for $300,000. He asked the Board for support of the university's request. He said the role of the University of Northern Iowa in improving teacher preparation would be served.

Regent Fitzgibbon asked for clarification on the funding situation for equipping the Art Building.

President Curris responded that the Art Building is equipped and in operation; however, the university did not receive funds for utilities, or for the kind of technical and custodial help that is needed.

ACTION: President Pomerantz stated the proposed budget, the staff recommendations and the institutional presentations were received. He said next month the Board will adopt budget requests for fiscal year 1989.

PRELIMINARY BUDGET REQUESTS FOR FISCAL YEAR 1989. c. Tuition Replacement Appropriations. The Board Office recommended the Board receive the Board Office assessment of tuition replacement appropriation needs for fiscal year 1989.

Tuition replacement needs for fiscal year 1989 were projected to be $18,760,700, which is approximately $1.3 million more than the fiscal year 1988 appropriation. This amount 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. This value was a projection and not an exact measure of need. 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.

The issuance of zero-coupon bonds as a part of upcoming Academic Building Revenue Bond sales was being considered. Issuance of zero-coupon bonds would have an impact on tuition replacement need projections. A change in the bond statute would be required.

ACTION: President Pomerantz stated the Board received the Board Office assessment of tuition replacement appropriation needs for fiscal year 1989 by general consent.

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

Regent Fitzgibbon stated the Banking Committee members discussed the following items:

1. Philosophy of the committee in trying to keep everyone informed and advised on what is happening at the institutions;

2. Receipt of quarterly investment reports of the Regent institutions;

3. State audits performed of the institutions and the need for conducting internal audits, as well;

4. Accounting principles;

5. Bonding and external financing policy including those items already authorized, those not yet authorized and how policies might be retained or improved;

6. Bonding capacity, short- and long-term goals, for all institutions, including discussion of zero-coupon bonds;

7. Review of insurance coverage of all institutions, what insurance they now have, the replacement value of property, availability and cost of insurance and additional insurance; and

8. Reorganization of business functions of special schools which is in place now. The timeline is for completion of the first phase by August 1, Phase 2 by January 1, and to be finalized by July 1, 1988.

Regent Fitzgibbon stated all the items were discussed with the purpose of becoming better informed. He said the items would again be addressed at the October Banking Committee meeting.

Regent Fitzgibbon stated that in reviewing the treasurer's operations it was the feeling of the committee that the institutions are dealing in a complex time and a sophisticated area in which the rates continually move up and down. The Banking Committee unanimously recommended several actions which he presented to the Board in the form of a motion:

MOTION: Regent Fitzgibbon moved (1) To retain an investment advisory service to review institutional portfolios and investment procedures, and authorize approval of a contract by the chair of the Banking Committee and the President of the Board; (2) The Board Office is to develop for each Regent institution the procedures for a monthly cash management audit report -- the first audit report due at the October Board

of Regents meeting; and (3) The institutions are to review their institutional controls to assure that appropriate compliance procedures are in place for cash management and investments. A detailed report on their procedures shall be made to the Board through the Board Office and Banking Committee in October. Regent Greig seconded the motion, and it carried unanimously.

In accordance with the newly-established procedures, Regent Fitzgibbon stated the committee received a request for approval to establish an account for the University of Northern Iowa at the Midway Bank of Cedar Falls. The committee endorsed this account as described, which would draw interest.

MOTION: Regent Fitzgibbon moved to approve the establishment of an account for the University of Northern Iowa at the Midway Bank and Trust Company of Cedar Falls. Regent Harris seconded the motion, and it carried unanimously.

ACTION: President Pomerantz stated the Board adopted the complete Banking Committee report by general consent.

President Pomerantz recognized Ed Voldseth, and stated Mr. Voldseth was attending his last official Regents meeting because he is retiring. President Pomerantz expressed appreciation for Mr. Voldseth's many years of loyal, dedicated and effective representation of the University of Northern Iowa. He said the university, the Regents and the people of Iowa were all appreciative of Mr. Voldseth's efforts.

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, September 16 and Thursday, September 17, 1987.

SALE OF ACADEMIC REVENUE BONDS SUI SERIES 1987A. The Board Office recommended the Board (1) adopt "A Resolution providing for the sale and award of up to $5,000,000 Academic Building Revenue Bonds, Series S.U.I. 1987A, and approving and authorizing the agreement of such sale and award", and (2) adopt "A Resolution authorizing and providing for the issuance and securing the payment of up to $5,000,000 Academic Building Revenue Bonds, Series S.U.I. 1987A, for the purpose of defraying all or a portion of the cost of constructing, improving and equipping the Laser Laboratories to be located on the campus of the State University of Iowa and remodeling and renovating the International Center (the old law school building) located on the campus of the State University of Iowa, and paying certain costs of issuing the bonds."

Director True stated the sale of Academic Building Revenue Bonds SUI Series 1987A was the beginning of a series of Academic Building Revenue Bond combined sales. He said the University of Iowa bonds would be used to finance the initial design and construction of the Laser Laboratory Building to be built on the university campus and to renovate the Old Law Building, recently redesignated the International Center.

President Pomerantz directed the financial advisor, Luther Anderson of Springsted, Inc., to read the bids received, publicly announce the best bid, and make a recommendation to the Board on acceptance of the bids.

Mr. Anderson provided the following information on the bids received for the award of up to $5,000,000 Academic Building Revenue Bonds, Series S.U.I. 1987A: Two bids were received -- the first from John Nuveen with interest rates ranging from 6.65 percent to 7.50 percent for a total dollar interest cost of $6,332,582.82, resulting in a net effective rate of 7.2767 percent; and the second from Dain Bosworth with interest rates ranging from 6.70 percent to 8.20 percent for a total dollar interest cost of $6,355,047.00, resulting in a net effective rate of 7.302553 percent. The lower of two bids received in April 1987 for the sale of Academic Building Revenue Bonds Series SUI 1987 was for a net effective interest rate of 7.17. Mr. Anderson stated that at that time the Board felt the bid was excellent; therefore, these bids were considerably better.

Mr. Anderson recommended the bid of John Nuveen be accepted as the lower of the two bids.

MOTION: Regent Greig moved to (1) adopt "A Resolution providing for the sale and award of up to $5,000,000 Academic Building Revenue Bonds, Series S.U.I. 1987A, and approving and authorizing the agreement of such sale and award", and (2) adopt "A Resolution authorizing and providing for the issuance and securing the payment of up to $5,000,000 Academic Building Revenue Bonds, Series S.U.I. 1987A, for the purpose of defraying all or a portion of the cost of constructing, improving and equipping the Laser Laboratories to be located on the campus of the State University of Iowa and remodeling and renovating the International Center (the old law school building) located on the campus of the State University of Iowa, and paying certain costs of issuing the bonds." Regent Williams seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Tyler.

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

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

ACTION: President Pomerantz stated the Board approved the personnel register for the month of July 1987, by general consent.

APPOINTMENTS. The Board Office recommended the Board approve appointments of departmental executive officers, as follows:

1. DONALD J. PIETRZYK, Acting Chair of the Department of Chemistry for a one-year term, effective September 16, 1987, salary $63,100 for the academic year;

2. DOUGLAS MADSEN, Chair of the Department of Political Science, for a three-year term, effective September 16, 1987, salary of $40,200 for the academic year;

3. MARVIN J. LYNCH, Director of Personnel Services, effective September 8, 1987, salary of $52,000 for the fiscal year; and

4. ROBERT A. J. OLSON, Head of the Department of Oral and Maxillofacial Surgery, effective September 16, 1987, salary of $110,000, for the fiscal year.

President Remington stated that in addition to the appointments contained in the docket exhibits, the university requested the following appointments:

5. Kenneth E. Mobily as chair of the Department of Leisure Studies within the Division of Physical Education, College of Liberal Arts, for a three-year term effective October 1, 1987, at an academic-year salary of $31,000, and

6. Jerry A. Maynard as chair of the Department of Exercise Science and Physical Education within the Division of Physical Education, College of Liberal Arts, for a one-year term effective October 1, 1987, at a fiscal-year salary of $60,600.

MOTION: Regent Fitzgibbon moved to approve the appointments, as presented. Regent VanEkeren seconded the motion, and it carried unanimously.

President Remington provided the Board members with the following enrollment information: last year the university had an enrollment of 29,504 and they projected a decrease in enrollments for this year; however, recent official enrollment figures indicated enrollments of 29,133, a decrease of only 371 from last year.

P & S CLASSIFICATION SYSTEM. The Board Office recommended the Board approve pay grade changes for four classes and the addition of two new classes as shown:

Title	From Grade	To Grade
Manager, Shop Services	11 ($28,135-$45,850)	10 ($26,000-$42,370)
Assistant to the Dean, College of Pharmacy	12 ($30,450-$49,640)	13 ($32,975-$53,735)
Assistant Director for Campus and Custodial Services, Physical Plant	12 ($30,450-$49,640)	13 ($32,975-$53,735)

Title	From Grade	To Grade
Manager, University Video Center	10 ($26,000-$42,370)	13 ($32,975-$53,735)

New Title	Grade
Assistant Director for Administrative Services, Physical Plant	13 ($32,975-$53,735)
Senior Administrative Associate, College of Medicine	14 ($35,680-$57,635)

A departmental reorganization which centralized project planning activities resulted in reduction of the scope of the classification of Manager of Shop Services and the proposed reduction in pay grade assignment from 11 to 10. Increases in duties and responsibilities led to the proposed pay grade increases for the Assistant to the Dean, College of Pharmacy; Assistant Director for Campus and Custodial Services, Physical Plant; and for the Manager, University Video Center.

The proposed new class of Assistant Director for Administrative Services in the Physical Plant Department in grade 13 was needed to recognize added supervisory responsibilities for shop stores, computer support services, labor relations, and staff development. The incumbent was classified as a Business Manager II in grade 12.

The proposed new class, Senior Administrative Associate, College of Medicine, in grade 14, was needed to assist the Assistant Dean for Finance and the Assistant to the Dean in the College of Medicine in the performance of increased duties which the university reported have accumulated in those two positions since 1970. The proposed new class will also be responsible, in conjunction with the Scientific Advisory Committee, for staffing the new Human Biology Research Facility.

MOTION: Regent Duchen moved to approve pay grade changes for four classes and the addition of two new classes, as presented. Regent Greig seconded the motion, and it carried unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended the Board, with the exception of deferring the request to use institutional personnel on the 15KV Electrical Substation L, approve the capital register.

PERMISSION TO PROCEED WITH PROJECT PLANNING

The University of Iowa requested authorization to begin planning on one new project at the University Hospitals and Clinics. The university will proceed with actual planning of the project and develop more accurate cost figures.

University Hospitals and Clinics--Psychiatric Pavilion Replacement Facility

The university requested permission to initiate planning on the final phase of the University Hospitals and Clinics Twenty-Year Capital Replacement Program. The project will construct approximately 163,000 gross square feet of space to the south of the Colloton Pavilion. The space is for adult and child psychiatry patient care facilities, the Departments of Internal Medicine, Surgery, and Radiology, and a sports medicine clinic and spine center.

The Psychiatric Hospital currently occupies space constructed in 1919. The Psychiatric Hospital no longer meets patient care requirements and is not in conformance with fire and life safety codes.

The University Hospitals estimated the construction cost for this project is approximately $17.5 million. Cost figures will be developed further and refined as project planning proceeds. Funding for the project is from University Hospitals building usage funds. The project will be constructed in three phases.

In separate action, the university requested appointment of Hansen Lind Meyer, P.C., Iowa City, Iowa, as project architect. Permission was requested to negotiate a contract with Hansen Lind Meyer for architectural services. The university indicated the firm has been the primary architect for all previous phases of the University Hospitals replacement over the last 15 years, including the Colloton and Carver Pavilions, and has detailed knowledge of hospital operations and facilities.

Regents procedures require that for projects over $1 million the university solicit proposals from interested architects and convene its university architectural selection committee to screen and interview selected firms. Because of the firm's experience in hospital designs with the University Hospitals and across the country, the university recommended that this requirement be waived and Hansen Lind Meyer be appointed project architect for the Psychiatric Pavilion Replacement Facility.

PROJECT DESCRIPTIONS AND BUDGETS

Chemistry-Botany Building Remodeling--Phase II $8,550,000
Source of Funds: 72nd General Assembly Academic Building Revenue Bonds

This project continues remodeling on the Chemistry-Botany Building to remove fire and environmental safety deficiencies. Funds for the project authorized in 1986 are proceeds from the sale of $8.55 million in Academic Building Revenue Bonds.

The university indicated the deficiencies identified in the building exceed the available funds. The university is proceeding with correction of the most serious deficiencies as part of this phase.

$1.1 million of the project budget is reserved for chiller capacity. The size of the chiller, where the chiller is located and whether the chiller will be constructed in conjunction with the Laser Laboratory Building and a parking ramp are issues being studied by the university.

In September 1986, the Board approved the university's recommendation for appointment of CPMI, Inc., of Des Moines, Iowa, as design professional. The actual construction work will be bid using multiple prime contracts.

15KV Electrical Substation L--Phase I $3,837,000
Source of Funds: Legislative Appropriation, Academic Building Revenue Bonds or Utility Enterprise Revenue Bonds, Supplemented by Treasurer's Temporary Investment

This project involves construction of a new electrical substation on the southern edge of campus. The work includes the substation, underground duct banks, electrical vaults, and high voltage electrical cabling.

The university will purchase the required equipment and materials through competitive quotations and purchase orders. The university proposed that the installation of the electrical equipment and electrical cabling be accomplished by university personnel. The university estimated the cost of the labor involved totals $130,000.

Because the request to use institutional personnel on this project was received with the capital register, the Board Office did not have adequate time to notify interested contracting associations and receive their comments. Regent policy restricts use of institutional personnel on projects above $25,000. The Board Office recommended that consideration of this request be deferred until further consultation takes place. The Board can

take up for consideration in October the university's request to use in-house personnel.

Pharmacy Building--Air Condition and Ventilation Renovation--Phase II $511,000
Source of Funds: General University Building Repairs or Treasurer's Temporary Investments

This project continues upgrade of the ventilation system in the Pharmacy Building. This phase includes replacement of the main air handling unit and modifications to the air distribution system, as well as the replacement of all fume hood exhaust fans. Frank Pulley Associates, Inc., Des Moines, Iowa, was appointed as design engineer by the university in March 1987.

University Hospitals and Clinics--Surgery Faculty Office Consolidation $395,345
Source of Funds: University Hospitals Building Usage Funds

This project involves finishing approximately 6,200 square feet of shelled-in space on the first level of the Colloton Pavilion. The project will permit consolidation of the Cardiothoracic Surgery faculty with other faculty of General Surgery in space adjacent to the Department of Surgery Outpatient Clinic.

In separate action, the university requested approval of the appointment of Hansen Lind Meyer, Inc., Iowa City, Iowa, as project architect.

Finkbine Golf Course--Install Subsurface Irrigation System $343,000
Source of Funds: Men's Intercollegiate Athletic Department

This project involves replacement of the existing irrigation system on the university's 18 hole golf course. The project includes installation of a new water distribution system, pumping station, sprinkler heads, and electrical service.

The university proposed that the electrical system work will be accomplished by Physical Plant Department personnel. The amount of this work is estimated at $5,000.

University Hospital School--Dining Room Remodeling $260,000
Source of Funds: University Hospital Coffee Shop Income

This project involves expansion of the present dining area of the Hospital School. The 3,300 square foot remodeled area, when completed, will include

the cafeteria-style serving line, dining area for family and staff, and a dish washing area.

The university requested approval to expand the scope of the following project:

Main Power Plant Boiler Replacement Program
Phase I--Boiler No. 11, Cooling Water System
for Plant Equipment

The university requested approval of additional work as part of the Main Power Plant Boiler Replacement Project. The additional work, estimated at $800,000, involves replacement of the existing water cooling system with a closed, self-contained system. The new, enclosed cooling system will utilize untreated river water. The proposed system includes heat exchangers, pumps, piping, and would be sized to meet present and future demands of the boilers for up to 1,600 gallons of water per minute.

The university indicated the $800,000 additional cost is available in project balances. The funds not available from project balances will be supplemented, as necessary, from income from treasurer's temporary investments. In response to a Board Office inquiry, the university indicated approximately $1 million is presently uncommitted or available in project contingencies of the boiler replacement project. The available fund balances are due to the receipt of favorable bids on contracts that have been awarded up to this time.

The university presented 16 new projects to be initiated in the coming months. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

The university presented budget increases on two previously-approved projects.

University Hospitals and Clinics-- Staff Dining and Patient Solarium Facility Source of Funds: University Hospitals Building Usage Fund	Original Budget Revised Budget	$897,050 $1,146,050

The university requested approval to increase the project budget by $249,000. The budget increase was necessary because the two bids received exceeded the approved project budget. The Board approved the original budget in September 1986. Bids were originally received on June 4, 1987. At that time, only one firm submitted a bid and the bid exceeded the project budget. The Board, at the university's request, rejected the bid and directed the university to redesign the project to bring it within the estimated project budget.

The project was redesigned and new bids were received on July 23, 1987. Two bids were received this time. The low bid was approximately $150,000 lower than the bid received on June 4.

The additional funds to cover the increased budget are from the Hospital building usage fund. The increase in the project budget will permit award of the construction contract and completion of the project.

Recreation Building--Structural Repair	Original Budget	$2,413,000
Source of Funds: Recreation Building Bond	Revised Budget	$2,753,000
Fund Reserves, Treasurer's Temporary Investments and Foundation or Men's Intercollegiate Athletic Department Revenues		

The university requested approval to increase the project budget by $340,000. The budget increase results from the need to replace four additional laminated beams. The cost of the additional beams and the related additional deck replacement and window reconstruction require the $433,581 change order. The Board approved the original budget in March 1987.

Each beam, which is eight and one-half feet deep and approximately 116 feet long, costs $25,000 unfinished and before installation. Replacement of the four beams rather than repairing them resulted in the need to replace additional roof decking for an additional $117,000.

The four beams were to be repaired as part of the original design. After removal of the roofing material and extensive testing of the exposed beams, the extent of decay was discovered to be more extensive than originally believed.

CONSULTANT AGREEMENTS

The university requested approval of a new consultant agreement on one project and approval of amendments on two previously-approved agreements:

University Hospitals and Clinics--Surgery Faculty Office Consolidation	$22,060
Hansen Lind Meyer, Inc., Iowa City, Iowa	

The university requested approval of Hansen Lind Meyer, Inc., Iowa City, Iowa, to provide architectural services on this project. The university indicated the firm provided design services for the initial project. The fee is 5.6 percent of the project budget which the Board Office stated appeared appropriate for a project of this type and size.

Amendments:

Chilled Water Plant Parking Structure — Amendment #1 $90,000
Rich & Associates, Inc., Southfield, Michigan — Amendment #2 $26,400

The university requested approval of Amendments #1 and #2 to the design agreement with Rich and Associates on this project. Amendment #1 is for additional services and expenses by Rich and Associates resulting from an expansion in the project scope, which was approved by the Board in May. The project was initially estimated at $3.6 million. The approved budget for the parking structure is now $6.6 million, of which $5.3 million is budgeted for construction. The expansion of the project scope and increased construction costs increase the design fee of the parking consultant from $150,000 to $240,000. The new fee is 3.6 percent of the project budget which the Board Office said appeared reasonable for a project of this size and type.

Amendment #2 provides for additional engineering services resulting from utility relocation problems. Rich and Associates will obtain the services of a consulting engineer to provide these services. The consulting engineer's fee is expected to be not more than $26,400.

University Hospitals and Clinics--Diagnostic Radiology Completion Phase — Amendment #6 $5,843
Hansen Lind Meyer, Inc., Iowa City, Iowa

The university requested approval of Amendment #6 to the design agreement on this project. The amendment is for additional services to incorporate changes required by the state building code and for design modifications to the project.

CONSTRUCTION CONTRACTS

University Hospitals and Clinics--Staff Dining and Patient Solarium
Award to: McComas-Lacina Construction Company, Inc.,
Iowa City, Iowa
Base bid of $597,947, plus Alt. #1 of $73,639,
plus Alt. #3 of $16,182 =
TOTAL AWARD OF: $687,768
(2 bids received)

This contract was referred to the Board because both bids exceeded the approved project budget. The project involves enclosing space on the seventh floor of the Carver Pavilion for a new staff dining room. The additional dining facilities are needed to handle large numbers of meals served in the hospital to patients, visitors and staff.

In separate action the university requested an increase in the project budget to cover the award of this contract. The project budget was increased from $897,050 to $1,146,050. The university requested award of the contract to McComas-Lacina so the project can proceed.

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

Boiler Replacement Program, Phase I--Boiler No. 11, Contract 6--Electrical and Instrumentation
Award to: Meisner Electric, Inc., Newton, Iowa — $1,243,200
(5 bids received)

Medical Laboratories--Remodel Lecture Room No. 1 — $452,714
Award to: McComas-Lacina Construction Company, Inc., Iowa City, Iowa
(4 bids received)

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Recreation Building--Structural Repair — Increase $433,581
Merit Construction Company, Cedar Rapids, Iowa

The new net amount of the contract with Merit Construction Company is $2,419,581.

Boiler Replacement Program, Phase I--Boiler No. 11, Contract 2--Coal, Ash and Limestone
Deduct $130,260
The Nicholson Company, Reno, Ohio

The university requested approval of Change Order #5 on this construction contract. The change order deletes the fabrication and installation of one ash silo. The net impact of Change Order #5 is a $130,260 reduction. The new net amount of The Nicholson Company contract, including Change Order #5, is $865,435.35.

Boiler Replacement Program, Phase I--Boiler No. 11, Contract 5--General Construction — Deduct $232,114
M. A. Mortenson Company, Minneapolis, Minnesota

The university requested approval of Change Order #1 on this construction contract. The change order deletes the construction work and superstructure, piping, and other modifications related to the ash silo. The net impact of Change Order #1 is a $232,114 reduction. The new net amount of the M. A. Mortenson contract, including Change Order #1, is $3,563,886.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

15KV Electrical Loop I Extension--Phase I
Keith Enterprises, Des Moines, Iowa

Main Power Plant Boiler Replacement Program--Phase I
Boiler No. 11, Contract 1, Coal Handling Work and
Electrical Annex
M. A. Mortenson Company, Minneapolis, Minnesota

Main Power Plant Boiler Replacement Program--Phase I
Boiler No. 11, Contract 4, Substructure
M. A. Mortenson Company, Minneapolis, Minnesota

Grand Avenue Utility Tunnel Restoration--General Construction
Iowa Bridge & Culvert, Inc., Washington, Iowa

Engineering Building--Third Floor Remodeling--Mechanical Contract
Universal Climate Control, Inc., Coralville, Iowa

Inspections found the contractors complied with the plans and specifications. The university recommended the work on each of the projects be accepted as complete.

MOTION: Regent Williams moved, with the exception of deferring the request to use institutional personnel on the 15KV Electrical Substation L, to approve the capital register. Regent Fitzgibbon seconded the motion, and it carried unanimously.

EASEMENT - CITY OF CORALVILLE. The Board Office recommended the Board approve the proposed easement between the State Board of Regents and the City of Coralville, Iowa, for the purpose of improving an intersection and existing roadway on a portion of the property of the University of Iowa.

The University of Iowa requested approval of an easement with the City of Coralville that will enable the city to widen the roadway at the intersection of First Avenue and former Highway 6 and 218 in Coralville over a portion of university land. The easement involves the western boundary of university property used for intramural playing fields. The university requested approval of this easement because the proposed street improvement will be constructed without any assessment to the university.

The Board Office reported the easement was in the proper form and contained the standard liability clause. No cost for the construction or maintenance of the road will be assessed or charged to the State of Iowa.

MOTION: Regent VanEkeren moved to approve the proposed easement between the State Board of Regents and the City of Coralville, Iowa, for the purpose of improving an intersection and existing roadway on a portion of the property of the University of Iowa. Regent Williams seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Tyler.

LEASE OF PROPERTY - TECHNOLOGY INNOVATION CENTER, OAKDALE CAMPUS, EMPHASYS; SPENCER MUNICIPAL HOSPITAL; MERCY MEDICAL CENTER; AND, NORTHWESTERN BELL TELEPHONE COMPANY. The Board Office recommended the Board approve leases with: EMPHASYS (Landlord, New) for their use of approximately 286 square feet of office space (Room 131) in the Technology Innovation Center (TIC) on the Oakdale Campus for a term of one year commencing October 1, 1987, and ending September 30, 1988, at an annual rent of $1,716 including utilities and services; SPENCER MUNICIPAL HOSPITAL (Tenant, Renewal) for the university's use of approximately 200 square feet of space in the hospital's building in Spencer for a term of four years commencing October 1, 1987, and ending September 30, 1991, at an annual rent of $600 including utilities and services; MERCY MEDICAL CENTER, Dubuque (Tenant, New) for the university's use of approximately 240 square feet of space in the Center for a term of fifteen months commencing October 1, 1987, and ending January 1, 1989, at an annual rent of $2,040 including utilities and services; and NORTHWESTERN BELL TELEPHONE COMPANY (Tenant, New) for the university's use of all of the fourth floor and part of the fifth floor of the building at 302 S. Linn Street, Iowa City, comprising approximately 12,300 square feet, and the use of 20 parking spaces in the adjacent parking lot at an annual rental of $76,875 with the option to lease the balance of the fifth floor comprising approximately 6,300 square feet at an annual rent of $34,724 including utilities.

EMPHASYS -- The company will use the space for developing and marketing software for the financial services industry. The rental rate is calculated at $6.00 per square foot per year and includes utilities and services.

SPENCER MUNICIPAL HOSPITAL -- The university uses this space for offices for its Child Health Center in Spencer. The Center staff consists of a pediatric nurse practitioner and a secretary. The Center's mobile clinics, the regional high risk follow-up program and other clinic activities are conducted in the same area of the hospital. The Board Office reported the rent of $50 per month ($3.00 per square foot per year) was considered reasonable.

MERCY MEDICAL CENTER (Dubuque) -- The university uses this space for a Child Health Specialty Clinic nurse to participate in the Iowa High Risk Infant follow-up program in the area. The rent of $170 per month ($8.50 per square foot per year) was considered to be equitable and competitive for the area, according to the Board Office.

NORTHWESTERN BELL TELEPHONE COMPANY -- The university will use the space, at least 12,300 square feet with the option to add 6,300 more square feet, for Administrative Data Processing (ADP). ADP presently is located in the basement of Jessup Hall and in part of North Hall. This proposed space will permit unification of ADP in one location, with the exception of the computer room, which will promote efficiency of operation and accommodate growth in the ADP unit. It will also reduce the overcrowding in Jessup Hall. The university reported that it can provide unallocated funds within its budget for this purpose. While ADP operates on a system of charge-backs to users, the cost of this lease will not be a part of the chargebacks. The university reported that leasing this space is an intermediate solution to space allocation problems. They anticipate leasing this space five to ten years.

The university considered vacant schoolhouse space, pursuant to Executive Order No. 44, and found none that met its programmatic needs.

MOTION: Regent VanGilst moved to approve leases with: EMPHASYS (Landlord, New) for their use of approximately 286 square feet of office space (Room 131) in the Technology Innovation Center (TIC) on the Oakdale Campus for a term of one year commencing October 1, 1987, and ending September 30, 1988, at an annual rent of $1,716 including utilities and services; SPENCER MUNICIPAL HOSPITAL (Tenant, Renewal) for the university's use of approximately 200 square feet of space in the hospital's building in Spencer for a term of four years commencing October 1, 1987, and ending September 30, 1991, at an annual rent of $600 including utilities and services; MERCY MEDICAL CENTER, Dubuque (Tenant, New) for the university's use of approximately 240 square feet of space in the Center for a term of fifteen months commencing October 1, 1987, and ending January 1, 1989, at an annual rent of $2,040 including utilities and services; and NORTHWESTERN BELL TELEPHONE COMPANY (Tenant, New) for the university's use of all of the fourth floor and part of the fifth floor of the building at 302 S.

Linn Street, Iowa City, comprising approximately 12,300 square feet, and the use of 20 parking spaces in the adjacent parking lot at an annual rental of $76,875 with the option to lease the balance of the fifth floor comprising approximately 6,300 square feet at an annual rent of $34,724 including utilities. Regent Williams seconded the motion, and upon the roll being called, the following voted:
AYE: Fitzgibbon, Greig, Harris, Pomerantz, VanEkeren, VanGilst, Williams.
NAY: None.
ABSTAIN: Duchen.
ABSENT: Tyler.

ARMORY REPLACEMENT FACILITY. The Board Office recommended the Board authorize the university to proceed with project planning.

The proposed construction of the Psychiatric Pavilion Replacement Facility south of the Colloton Pavilion will require relocation of recreational activities and Physical Education, and demolition of the armory portion of the Field House.

It was the Board Office understanding that the university will follow Regents procedures for selection of architects for projects over $1 million, including public solicitation of proposals and conduct of interviews. The university will return to the Board with a recommendation on the selection at the November Board meeting.

The university also requested that the Executive Secretary be authorized to approve the professional service agreement for the study.

Vice President Phillips stated the university requested authorization to proceed with planning on a replacement facility for the armory and to initiate the selection process for a design consultant for a new facility for recreation and Physical Education. She said the consultant will conduct a study to establish the scope and program for the project. As part of the planning procedure the university wished to move forward with selection of an architect, and would come back in November with a complete project budget and a recommendation on the selection of an architect.

President Remington introduced Gino Baerta to address the Board.

Mr. Baerta, University of Iowa Student Senator, informed the Board of the following student concerns: 1) the new Armory replacement facility be built prior to destruction of the old facility, 2) any parking to be taken away be

replaced at another location, and 3) the funds to finance this capital project not come from student fees.

President Remington stated university officials are taking the students' requests into account. He said the students are also aware that there is no intent to increase student fees.

President Pomerantz clarified that the upcoming vote would include that the replacement facility would be built prior to destruction of the old building, that the university will provide replacement parking for the students, and that the funds would not come from student fees, in addition to authorizing the university to proceed with project planning.

Mr. Baerta thanked the university and the Board of Regents for the support.

MOTION: Regent Harris moved to authorize the university to proceed with project planning for the Armory Replacement Facility, with the understanding that the replacement facility would be built prior to destruction of the old building, that the university will provide replacement parking for the students, and that the funds would not come from student fees. Regent Williams seconded the motion, and it carried unanimously.

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, September 16 and Thursday, September 17, 1987.

SALE OF ACADEMIC REVENUE BONDS, SERIES ISU 1987A. The Board Office recommended the Board (1) adopt "A Resolution providing for the sale and award of up to $5,000,000 Academic Building Revenue Bonds, Series I.S.U. 1987A, and approving and authorizing the agreement of such sale and award." and (2) adopt "A Resolution authorizing and providing for the issuance and securing the payment of up to $5,000,000 Academic Building Revenue Bonds, Series I.S.U. 1987A, for the purpose of defraying all or a portion of the cost of constructing, equipping and improving the molecular biology building, the research park development including necessary appurtenant facilities, the home economics building (phase 1) and the veterinary medicine research institute laboratory all to be located on the campus of Iowa State University of Science and Technology, renovating and remodeling the existing industrial educational facility and meat irradiation facility and expanding the existing meat irradiation facility all located on the campus of Iowa State University of Science and Technology, and paying certain costs of issuing the bonds."

This year the Governor and General Assembly approved a resolution authorizing the sale of $37.5 million in Academic Building Revenue Bonds for Iowa State University. Senate Concurrent Resolution 35 authorized funds to plan, construct and equip the following projects: Molecular Biology Building, Home Economics Building--Phase I, Meat Irradiation Facility, Industrial Education Remodeling, Veterinary Medicine Research Institute Laboratory, and University Research Park Development. The initial $5 million of the Iowa State University bonds to finance the authorized projects were issued through this sale with the balance to be issued over the next two years.

President Pomerantz directed the financial advisor, Luther Anderson of Springsted, Inc., to read the bids received, publicly announce the best bid, and make a recommendation to the Board on acceptance of the bids.

Mr. Anderson stated two bids were received for the award of up to $5,000,000 Academic Building Revenue Bonds, Series I.S.U. 1987A. He said the bid of John Nuveen was exactly the same as on the previous State University of Iowa bond issue: interest rates ranging from 6.65 percent to 7.50 percent for a total dollar interest cost of $6,332,582.82, resulting in a net effective rate of 7.2767 percent. Dain Bosworth submitted the second bid with interest rates ranging from 6.70 percent to 8.20 percent for a net interest cost of $6,355,047.00, resulting in a net effective rate of 7.302553 percent.

Mr. Anderson recommended the bid of John Nuveen be accepted.

MOTION: Regent VanGilst moved to (1) adopt "A Resolution providing for the sale and award of up to $5,000,000 Academic Building Revenue Bonds, Series I.S.U. 1987A, and approving and authorizing the agreement of such sale and award." and (2) adopt "A Resolution authorizing and providing for the issuance and securing the payment of up to $5,000,000 Academic Building Revenue Bonds, Series I.S.U. 1987A, for the purpose of defraying all or a portion of the cost of constructing, equipping and improving the molecular biology building, the research park development including necessary appurtenant facilities, the home economics building (phase 1) and the veterinary medicine research institute laboratory all to be located on the campus of Iowa State University of Science and Technology, renovating and remodeling the existing industrial educational facility and meat irradiation facility and expanding the existing meat irradiation facility all located on the campus of Iowa State University of Science and Technology, and paying certain costs of issuing the bonds." Regent VanEkeren seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Tyler.

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

RATIFICATION OF ACTIONS IN REGISTER OF PERSONNEL CHANGES FOR JULY AND AUGUST 1987, INCLUDING EARLY AND PHASED RETIREMENT REQUESTS. The Board Office recommended the Board approve the register for the months of July and August, 1987.

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

Phased Retirement

Emmit H. Haynes, Professor
Donald W. Brown, Account Department
George E. Holland, Ames Laboratory
Sara R. Peterson, Library
Rosalind E. Engel, Professor
Donald M. Roberts, Professor
Virgil J. Jacobson, Custodian
James E. Mikesell, Jr., Carpenter
Gordon E. Bivens, Distinguished Professor

Early Retirement

Robert G. Brown, Professor
Thomas R. Kelly, Ames Laboratory
C. James Triska, Professor

ACTION: President Pomerantz stated the Board approved the Register of Personnel Changes for the months of July and August, 1987, as a consent item.

APPOINTMENTS AND REAPPOINTMENTS OF ADMINISTRATORS. The Board Office recommended the Board approve appointments, as follows:

1. GEORGE C. CHRISTENSEN, Executive Director of International Affairs, effective August 20, 1987, salary as budgeted;

2. CHARLES E. MCCANDLESS, Interim Vice-President for Academic Affairs, effective August 20, 1987, salary as budgeted;

3. JOHN T. PESEK, Interim Dean of the College of Agriculture and Interim Director of the Agriculture and Home Economics Experiment Station, effective October 1, 1987, salary as budgeted;

4. KENNETH J. FREY, Interim Head of Agronomy, effective October 1, 1987, salary of $81,030;

5. AUGUST RALSTON, Interim Chair of Finance, effective August 20, 1987, salary as budgeted;

6. DENNIS PETERSON, Interim Director of the Office of the International Educational Services, effective August 1, 1987 through June 30, 1988, salary of $41,000;

7. SHIRLEY J. WOOD, Acting Assistant Vice-President for Academic Affairs and Associate Professor of Physical Education and Leisure Studies and Secondary Education, effective August 21, 1987 through May 20, 1988, salary of $47,232;

8. R. DUANE SHINN, Professor and Chair of the Department of Community and Regional Planning, extending his current appointment through June 30, 1989, salary as budgeted;

9. JAMES D. IVERSEN, Professor and Interim Chair of the Department of Aerospace Engineering, effective August 25, 1987 through June 30, 1988, salary of $76,412;

10. LEONARD C. GOLDMAN, Director of the Iowa State University Research Park, effective through July 13, 1988, annual salary of $83,000; and

11. DAVID GLENN-LEWIN, Interim Chair of the Department of Botany, effective October 1, 1987, and until a permanent chair can be appointed, salary of $43,200.

MOTION: Regent Williams moved to approve the appointments, as presented. Regent VanEkeren seconded the motion, and it carried unanimously.

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

PERMISSION TO PROCEED WITH PROJECT PLANNING

Dairy Industry--Addition and Renovation

The university requested permission to initiate planning on the Dairy Industry--Addition and Renovation. The project involves approximately 82,000 gross square feet of space to house a newly-created National Center for Food and Industrial Agricultural Product Development. The $14.3 million project will be funded by a grant from the United States Department of Agriculture.

The university proposed to establish a National Center for Food and Industrial Agricultural Product Development. The center would develop new products to improve American agriculture's competitiveness in the international marketplace, introduce renewable agricultural resources and channel biotechnology to agricultural products. The United States Department of Agriculture appointed an outside review panel to study the proposal from Iowa State University. The panel concluded that the proposal was feasible but the project has not been funded. The center would be developed in three phases and located in remodeled space in the Dairy Industry Building. An addition would be constructed to the Dairy Industry Building as the first phase.

In separate action, the university requested authorization to begin selection of a project architect. The university will return to the Board with a recommendation for appointment upon completion of the selection process.

PROJECT DESCRIPTIONS AND BUDGETS

Molecular Biology Building $30,500,000
Source of Funds: 72nd Academic Revenue Bonds

The 190,000 gross square foot Molecular Biology Building will house the university's biotechnology efforts, including the Departments of Biochemistry/Biophysics, Genetics, and an interdisciplinary Molecular Biology Center. The building will contain badly-needed research laboratories and will enable the departments to conduct state-of-the-art interdisciplinary research.

The $30.5 million project will be financed through the sale of Academic Building Revenue Bonds. The bonds will be issued through a series of sales scheduled over the next year. An initial $5 million in bonds to finance the planning of this project and other capital projects authorized by the Governor and General Assembly were sold earlier in this meeting.

Initial Project Budget

Construction Contract	$22,371,992
Design Services	2,039,409
Construction Manager	30,000
Utility Extensions	1,180,000
Movable Equipment	762,500
Other	1,903,900
Reserved for Future Contracts and Contract Changes	2,212,199
TOTAL	$30,500,000

In separate action the university requested approval of Story Construction Company of Ames, Iowa, as construction manager on the Molecular Biology project. Story Construction will provide construction management services through the schematic design phase of the project. The agreement provides for compensation at a fixed maximum of $30,000.

The following project is funded by the Regents' allocation of State Parks and Institutional Road funds. Because the project is a State Parks and Institutional Road project the description and budget were presented for approval of the Board.

Elwood Drive and Sixth Street Signalization $77,400

Source of Funds:	1987 Institutional Road Fund	$12,150
	1988 Institutional Road Fund	65,250

This project involves the design and installation of traffic signals at the intersection of Elwood Drive and Sixth Street. Elwood Drive is an institutional road and the intersection was reconfigured two years ago with State Park and Institutional Road funds from the Iowa Department of Transportation. At the time the intersection was reconstructed, the university and the consulting engineer anticipated traffic signals would need to be installed eventually. The traffic counts now indicate that a traffic signal is warranted.

The project will be planned this year and constructed in 1988. The road funds are allocated on a calendar year basis. The university selected a project engineer, Johnson, Brickell, Mulcahy and Associates, Inc., to design the signalization system. The construction and installation work will be accomplished through public bidding.

The university presented nine new projects and revised budgets on two projects previously approved by the Board. The title, source of funds and estimated budget for each project was listed in the capital register prepared by the institution.

CONSULTANT AGREEMENTS

Molecular Biology Building — $30,000
Story Construction, Ames, Iowa
(Construction Management Services)

This consultant agreement relates to the Molecular Biology Building project. The firm was selected as a result of a selection process. In July 1987 the Board approved the university entering into an agreement with Story Construction. Negotiations were concluded and the agreement reported this month.

Car Pool Fueling Station — $21,000
Rietz Engineering Services, Ames, Iowa
(Engineering Services)

This engineering design agreement relates to the Car Pool Fueling Station project approved by the Board in June 1987. The project will consolidate the automobile fueling activity in a single campus location. Funds for the project are from transportation services and Physical Plant equipment rental funds.

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

The following change order was approved by the Executive Secretary and presented for ratification by the Board:

Alumni Hall--General Remodeling Change Order #1 $32,205
Award to: Badding Construction Company, Carroll, Iowa

Change Order #1 on this project involves additional work by the contractor relating to removal of existing warped and uneven wood flooring and replacement with new subflooring and floor covering. The project architect, Herbert Lewis Kruse and Blunck, reviewed the contractor's price to accomplish the work and recommended acceptance.

The revised amount of the construction contract is $2,395,406. The total budget for the Alumni Hall Remodeling project is $3.2 million. The contract was awarded to Badding Construction Company in April 1987. Source of funds for the project is income from treasurer's temporary investments.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

The university reported acceptance of one completed construction project and recommended the work on the project be accepted as complete.

Coover Auditorium Renovation--Asbestos Removal
Kossuth Insulators, Inc., Algona, Iowa

Inspection found that the contractor, Kossuth Insulators Inc., Algona, Iowa, complied with the plans and specifications.

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

ISIS LEASES - WASHINGTON BIOLAB AND POLYMER PRODUCTS; ISIS LEASE ADDENDUM - CIMTECH; AND, IOWA SMALL BUSINESS DEVELOPMENT CENTER EXPANDED LEASE AGREEMENT. The Board Office recommended the Board approve leases as follows:

(1) with WASHINGTON BIOLAB (Landlord, New) for their use of approximately 465 square feet of space in the Iowa State Innovation System incubator facility (ISIS) in the room commonly known as 1A for a term of one year commencing August 17, 1987, and ending August 16, 1988, at an annual rent of $2,092.56, and with POLYMER PRODUCTS (Landlord, New) for their use of approximately 139 square feet of space in the ISIS in the room commonly known as 205 for a term of one year commencing July 1, 1987, and ending June 30, 1988, at an annual rent of $695.04;

(2) with CIMTECH (Landlord, Addendum) for their use of approximately 264 square feet of space in the ISIS in rooms commonly known as 203 and 204 for a term of eight months commencing September 1, 1987, and ending April 30, 1988, at a rent for the term of $968; and

(3) with DAYTON ROAD DEVELOPMENT CENTER COMPANY (Tenant, Addendum) for the university's use of approximately 421 square feet of space in the Chamberlynn Professional Building, 137 Lynn Avenue, Ames for a term of one year

commencing October 1, 1987, and ending September 30, 1988, at an annual rent of $3,999.48.

WASHINGTON BIOLAB produces restruction enzymes for use by research labs and is developing kits for high school and college biology projects. They are also developing diagnostics for research and hospital use.

POLYMER PRODUCTS is developing saleable products from recycled plastics. They will be working with ISIS on improved fabrication technology for these products.

CIMTECH presently is a tenant in ISIS. It desires to expand the space it utilizes by 264 square feet. The lease for the additional space will expire at the same time as the original lease.

DAYTON ROAD DEVELOPMENT CENTER COMPANY is the landlord from whom space is leased to house the university's Small Business Development Center (SBDC). The Board approved the original lease in December 1985. The SBDC is an expanding enterprise and needs to provide space for an assistant to the Publications and Training Manager as well as consulting offices for faculty and storage space. The landlord provides services and utilities for the space with the university paying a pro-rata share of any increases in their costs.

MOTION: Regent VanEkeren moved to approve leases as follows: (1) with WASHINGTON BIOLAB (Landlord, New) for their use of approximately 465 square feet of space in the Iowa State Innovation System incubator facility (ISIS) in the room commonly known as 1A for a term of one year commencing August 17, 1987, and ending August 16, 1988, at an annual rent of $2,092.56, and with POLYMER PRODUCTS (Landlord, New) for their use of approximately 139 square feet of space in the ISIS in the room commonly known as 205 for a term of one year commencing July 1, 1987, and ending June 30, 1988, at an annual rent of $695.04; (2) with CIMTECH (Landlord, Addendum) for their use of approximately 264 square feet of space in the ISIS in rooms commonly known as 203 and 204 for a term of eight months commencing September 1, 1987, and ending April 30, 1988, at a rent for the term of $968; and (3) with DAYTON ROAD DEVELOPMENT CENTER COMPANY (Tenant, Addendum) for the university's use of approximately 421 square

feet of space in the Chamberlynn Professional Building, 137 Lynn Avenue, Ames for a term of one year commencing October 1, 1987, and ending September 30, 1988, at an annual rent of $3,999.48. Regent Williams seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Tyler.

RESEARCH PARK ABANDONED RAILROAD RIGHT-OF-WAY TRANSFER. The Board Office recommended the Board approve the transfer of the abandoned Chicago and Northwestern Railroad right-of-way to the Iowa State University Achievement Foundation.

In July the Board approved a 28E Agreement with the City of Ames regarding development of the Iowa State University Research Park. Under the agreement it is the responsibility of the City of Ames to construct public improvements for the Research Park, including a road which will bisect the Research Park. Although the majority of the property is owned by the Iowa State University Achievement Foundation, a small portion of the site involves an abandoned railroad right-of-way owned by the university. Transfer of that right-of-way to the Achievement Foundation was necessary in order to complete agreements with the City of Ames. The City of Ames will then proceed with development of the public improvements, including construction of the new road.

MOTION: Regent Duchen moved to approve the transfer of the abandoned Chicago and Northwestern Railroad right-of-way to the Iowa State University Achievement Foundation. Regent Fitzgibbon seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Tyler.

INTERNATIONAL TRADE CENTER - LEASE OF SPACE. The Board Office recommended the Board approve a lease with International Trade Center Limited Partnership for the university's use of up to 2,000 square feet of space commonly known as suite 230 on the skywalk level of the International Trade Center at 312 8th Street, Des Moines, for a term of three years commencing October 1, 1987, and ending September 20, 1990, at an annual rent not to exceed $24,000.

The university is expanding its commitment in international activities, including promotion of the economic well-being of Iowa through research and

trade. As a part of that expansion the university proposed to establish an office in the International Trade Center in Des Moines. The office will serve as a focal point for international business representatives visiting Des Moines and is expected to attract governmental officials and educators as well. Its staff will assist foreign trade and educational delegations visiting central Iowa and interview delegation participants to determine the needs of their country or region. It will help foreign visitors coordinate their itineraries and provide contacts with university, business, and governmental resources. It will also be of specific interest to Iowans wishing to strengthen ties between their businesses and international markets, and wishing to strengthen ties with the educational and research capabilities of the university.

The activities of the office will be coordinated by the university's Offices of International Affairs. An advisory body will assist in the coordination.

The Iowa Sister-State Committee expressed interest in joining the university in the space. The committee would assist in providing Iowa citizens and foreign visitors with information about educational and trade prospects.

A minimum of 1500 square feet at $12 per square foot per year ($18,000) will be funded by the university from its general fund, specifically, from the $200,000 that was reallocated for 1987-88 to expand the university's international effort. If the university is successful in securing a federal grant for the International Trade Development Center, additional space required by the Center would be supported by the grant. The Center would be financed by a $1.94 million grant through the U.S. Department of Agriculture. The Center's objective is to enhance trade in agricultural products and related commodities produced particularly by small-to medium-sized business in Iowa and the Midwest.

President Eaton stated the university was pleased for the Board Office recommendation. He said the Center represented an opportunity to bring together private and public interests. He emphasized the fact that the Center will not be used to recruit students. It will have three major activities: information delivery, market research and education, all geared toward increasing exports.

President Pomerantz asked if there were any problem if approval of the lease was contingent upon the option to cancel by paying a penalty?

Vice President Madden stated there is currently a "cancellation for lack of funding" clause in the lease.

Regent Fitzgibbon suggested a clause granting the university the ability to sublet might address President Pomerantz' concern.

President Eaton stated the university would attempt to negotiate wording to address subletting.

Regent Fitzgibbon asked if the amount of rent included utilities.

Vice President Madden responded that it did not. He said the lease contains a specific schedule of who pays what.

MOTION: Regent Williams moved to approve a lease with International Trade Center Limited Partnership for the university's use of up to 2,000 square feet of space commonly known as suite 230 on the skywalk level of the International Trade Center at 312 8th Street, Des Moines, for a term of three years commencing October 1, 1987, and ending September 20, 1990, at an annual rent not to exceed $24,000, if it is written with an option to cancel after 18 months with up to a 6 month penalty, and with a clause stating the university can sublease. Regent Duchen seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, VanEkeren, Williams.
NAY: VanGilst.
ABSENT: Tyler.

ISU BROADCASTING BOARD OF DIRECTORS. The Board Office recommended the Board approve the appointment of Carole A. Custer and Mary E. Kramer as additional directors of the Iowa State University Broadcasting Corporation.

In April 1987 the Board approved the original slate of seven directors of the Iowa State University Broadcasting Corporation. At that time President Eaton indicated that it was the intention of the university to examine the need for additional directors and that he would return to the Board with recommendations. The university recommended the addition of two members to the Board of Directors. Carole A. Custer is Assistant to the President at Iowa State University and Mary E. Kramer is Vice President of Human Resources of Blue Cross and Blue Shield of Iowa.

A listing of the existing directors of the corporation are shown below.

Harry G. Slife (Chairperson)
Joan U. Axel
Robert L. Crom
Margaret S. Pickett
Richard P. Sernett
Allan R. Tubbs
Corporation President (ex officio)

ACTION: President Pomerantz stated the Board approved the appointment of Carole A. Custer and Mary E. Kramer as additional directors of the Iowa State University Broadcasting Corporation as a consent item.

IOWA ELECTRIC LIGHT & POWER GAS MAIN EASEMENT - CURTISS FARM - 87-1. The Board Office recommended the Board approve the easement between the State Board of Regents and the Iowa Electric Light and Power Company for the purpose of constructing an underground natural gas line on the property of Iowa State University.

Iowa State University requested approval of an easement with Iowa Electric Light and Power Company to extend an underground natural gas line along the south side of Mortenson Road. The two inch natural gas line will serve a private housing development currently under construction west of the university property. The pipeline will be along the public right-of-way and is capable of serving university needs if the property is developed in the future.

Iowa Electric Light and Power Company agreed that it will relocate the gas main should the university need the land for future development. This improvement and any future relocation costs will be accomplished with no cost to the university, the Board, or the State of Iowa. The university indicated that the gas main will not interfere with current or planned uses for the property.

MOTION: Regent Williams moved to approve the easement between the State Board of Regents and the Iowa Electric Light and Power Company for the purpose of constructing an underground natural gas line on the property of Iowa State University. Regent Fitzgibbon seconded the motion, and upon the roll being called, the following voted;
AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Tyler.

AWARD OF COAL CONTRACT. The Board Office recommended the Board (1) reject all coal supply bids and authorize the university to solicit new bids for a multi-year contract for all or a portion of its coal needs and (2) direct the university to return to the Board with its recommendation for a coal supplier following the renewed solicitation for bids and prior to making an award.

The university requested the Board reject all bids and resolicit bids for a multi-year contract.

The university's deliberations in this regard were made in consultation with the Board Office, the Attorney General's Office, engineers on the university staff as well as its consultant, SEGA. The Board Office stated adequate time exists to rebid for coal supplies because current contracts will not expire until April and October, 1988.

Vice President Madden that this summer the university initiated to seek coal contracts for the new fluidized bed boilers. As reported in August the university received bids and utilized an outside firm to review those bids. After working through that process the consultant indicated there would be substantial financial savings to reject all one-year bids and solicit for bids for a multi-year contract where rail and other capital improvements could reasonably be amortized over the life of the coal contract. The consultant particularly identified savings possible if the multi-year contract for all of the coal needs of the university can be acquired. The consultant projected that with a single contract for western coal, prices approaching $1.00 per million BTU can be attained as compared to existing contracts at 50 percent higher delivered coal prices. He said the university will come back to the Board with a recommendation within 60-90 days.

Regent Fitzgibbon asked what the terms were of the original contract.

Vice President Madden responded the Board, in its discretion, has the right to reject bids.

Regent Greig asked if resoliciting would make it easier for the Iowa coal companies to bid lower.

Vice President Madden stated they would have an opportunity to do so. The university made a commitment with the Board Office staff that design and specifications would be reviewed by a number of parties to ensure the process is legal and complies with the Iowa Code regarding coal delivery.

MOTION: Regent Williams moved to (1) reject all coal supply bids and authorize the university to solicit new bids for a multi-year contract for all or a portion of its coal needs and (2) direct the university to return to the Board with its recommendation for a coal supplier following the renewed solicitation for bids and prior to making an award. Regent VanGilst seconded the motion, and it carried unanimously.

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, September 16 and Thursday, September 17, 1987.

ACADEMIC BUILDING REVENUE BOND SALE, SERIES UNI 1987. The Board Office recommended the Board (1) adopt "A Resolution providing for the sale and award of $6,000,000 Academic Building Revenue Bonds, Series U.N.I. 1987, and approving and authorizing the agreement of such sale and award", and (2) adopt "A Resolution authorizing and providing for the issuance and securing the payment of $6,000,000 Academic Building Revenue Bonds, Series U.N.I. 1987, for the purpose of defraying all or a portion of the cost of constructing, improving and equipping a classroom and office building to be located on the campus of University of Northern Iowa, remodeling and renovating Latham Hall located on the campus of University of Northern Iowa and acquiring instructional, research and computational equipment for use on the campus of University of Northern Iowa, and paying certain costs of issuing the bonds."

The Governor and General Assembly approved SCR 35 resolution this year authorizing $3 million in Academic Building Revenue Bonds for Latham Hall remodeling. In 1986, $11.2 million in Academic Building Revenue Bonds was authorized for a new Classroom/Office Building and for instructional and research equipment. The initial $6 million of the University of Northern Iowa bonds were issued through this sale with the balance anticipated to be issued in April 1988. The amount of bonds issued on behalf of the University of Northern Iowa was based on cash flow requirements for the two construction projects and the expected date for future bond sales.

President Pomerantz directed the financial advisor, Luther Anderson of Springsted, Inc., to read the bids received, publicly announce the best bid, and make a recommendation to the Board on acceptance of the bids.

Mr. Anderson stated two bids were received for the award of up to $6,000,000 Academic Building Revenue Bonds, Series U.N.I. 1987. He said the bids were very similar because of the maturity schedule. The bids were read as follows: 1) John Nuveen with interest rates ranging from 6.65 percent to 7.50 percent for a total dollar interest cost of $7,587,507.82, resulting in a net effective rate of 7.2781 percent, and 2) Dain Bosworth, Inc., with interest rates ranging from 6.70 percent to 8.20 percent for a total dollar interest cost of $7,611,792.00, resulting in a net effective rate of 7.301479 percent.

Mr. Anderson recommended the bid of John Nuveen be accepted.

Regent Fitzgibbon stated the bids were very close.

MOTION: Regent Fitzgibbon moved to (1) adopt "A Resolution providing for the sale and award of $6,000,000 Academic Building Revenue Bonds, Series U.N.I. 1987, and approving and authorizing the agreement of such sale and award", and (2) adopt "A Resolution authorizing and providing for the issuance and securing the payment of $6,000,000 Academic Building Revenue Bonds, Series U.N.I. 1987, for the purpose of defraying all or a portion of the cost of constructing, improving and equipping a classroom and office building to be located on the campus of University of Northern Iowa, remodeling and renovating Latham Hall located on the campus of University of Northern Iowa and acquiring instructional, research and computational equipment for use on the campus of University of Northern Iowa, and paying certain costs of issuing the bonds." Regent Williams seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Tyler.

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

REGISTER OF PERSONNEL CHANGES. The Board Office recommended the Board approve the personnel register for the months of July and August, 1987.

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

OTHER PERSONNEL TRANSACTIONS. The Board Office recommended the Board appoint administrators, as follows:

1. JONATHAN LU, Professor and Acting Head, Department of Geography, for the 1987-88 academic year, salary as budgeted plus $1,800; and

2. JAMES DITTRICH, Interim Director of Maucker Union, effective July 13, 1987, until a permanent successor can be appointed, annual salary prorated for effective period, $30,800.

MOTION: Regent Williams moved to approve the appointments, as presented. Regent Duchen seconded the motion, and it carried unanimously.

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

APPROVAL OF PROGRAM STATEMENTS

Latham Hall Renovation

The project will remodel Latham Hall using $3 million in Academic Building Revenue Bonds authorized in 1987.

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

In June the university requested permission to begin selection of a project architect. Proposals were received by the university from 25 architectural firms. Five firms were interviewed on August 26, 1987, by the university architectural selection committee. The university requested approval of the selection of Stenson Warm Grimes Port Architects, Inc., of Waterloo, Iowa, to provide full architectural services for the project. The university has previous experience with this firm on the Industrial Technology Building and the recently completed renovation of Bartlett Hall, East Wing.

In anticipation of the Board's action, the university proceeded with negotiating a contract for architectural services with Stenson Warm Grimes Port. The university requested the Board approve a $172,000 agreement for architectural services on the project.

Power Plant Replacement

This project involves demolition of Power Plant #1, which is located near the center of the campus, and construction of replacement boiler capacity at Power Plant #2. The project will construct a 105,000 lb. per hour fluidized bed boiler and auxiliary equipment to support the boiler. The new boiler will provide necessary steam capacity to serve campus needs. The new boiler

will be connected to the existing cogeneration system, enabling a more reliable electrical generating service.

The university requested approval of the program statement and approval of the project description and budget.

In July the Board authorized the university to proceed with the initial phase of this project which involves relocation of existing utilities near Power Plant #1. Once utilities are relocated, steps can begin in the process of razing Power Plant #1.

In separate action, the university requested approval of the selection of Sega, Inc., as engineering consultants for Power Plant #1--Phase II, Demolition. The university recommended the appointment of Sega, Inc., of Stanley, Kansas, as engineering consultant because of its familiarity with the university utility systems and its involvement in preparation of the engineering study of the utility generation and distribution system.

The university indicated the firm's knowledge of the university's current and future utility plans is critical to maintaining the university's schedules and completion of the project. In anticipation of the Board's action the university proceeded with negotiating a contract with Sega for $64,000.

PROJECT DESCRIPTIONS AND BUDGETS

Power Plant Replacement $11,100,000
Source of Funds: Capital Appropriations or Additionally Authorized Academic Building Revenue Bonds

This project involves the design and installation of a new 105,000 lb. per hour fluidized bed boiler. The university prepared a project budget and description on the project.

In September 1986 the Board authorized the university to initiate planning on a project to replace the four outdated boilers at Power Plant #1. The boilers are beyond their useful life and are no longer economic to repair. As the result of a study conducted by Sega, Inc., the need for a new 105,000 lbs. per hour fluidized bed boiler was identified. In addition, the site of Power Plant #1 is the preferred location for the Classroom/Office Building.

Installation of the new fluidized bed boiler and demolition of Power Plant #1 was in the Board's capital request at $10.1 million during the last legislative session. It narrowly missed being funded by the General Assembly through appropriations. The project was the university's highest capital priority.

The Board Office recommended this project be retained as a high priority in the Board's fiscal year 1989 capital request. Until permanent capital funding is obtained the university will fund the initial work from internal funds and other available Academic Building Revenue Bond proceeds.

CONSULTANT AGREEMENTS

Latham Hall Renovations — $172,000
Stenson Warm Grimes Port, Waterloo, Iowa

The fee is 5.7 percent of the project which the Board Office felt was reasonable for a classroom/office building project.

Power Plant Renovations — $64,000
Sega, Inc., Stanley, Kansas

The fee is 5.1 percent of the established $1.2 million project. The Board Office stated the fee appeared reasonable for a project of this type and size.

FINAL REPORTS

The university submitted final reports on three completed construction projects.

Auditorium Building--Auditorium Rooms 131 & 239 Renovation — Final Budget $508,264
Source of Funds: Building Repairs

Bartlett Hall--Renovation of East Wing — Final Budget $976,508
Source of Funds: Building Repairs

Gilchrist Hall--Renovate HVAC System — Final Budget $566,000
Source of Funds: State Appropriations, 70th General Assembly

Architectural Presentation:

Classroom/Office Building

An appointment was scheduled at 10:00 a.m., Thursday, September 17, 1987, on the schematic design for the Classroom/Office Building. The project architect briefed the Board on the site selected for the building and the decisions that have been made on the building. The university asked the Board to approve the site location and design of the Classroom/Office Building at completion of the schematic design phase.

Highlights of the architectural presentation follow:

Lee Thomson, Director of Campus Planning, University of Northern Iowa, stated the firm of Hansen Lind Meyer would present the architectural and engineering features of the Classroom-Office Building that will house the School of Business. He said university officials and the architectural firm visited exemplary schools of business as they were looking at early design features. The current School of Business building was built in 1907 and the program has grown too large for that facility. The university's intention is to provide the best teaching and research environment possible. Mr. Thomson introduced Martin Meisel to present the features of the building.

Mr. Meisel presented slides of the proposed building, highlighting the following items/features: the site is at mid-point on the campus and is closely aligned with the main east-west circulation, a pond on the site has been removed, part of the tennis courts will have to be removed, there is east-west as well as north-south access, the design of the building will enhance the relationship between the old and new campus, the courtyard design is open, inviting and friendly, continuing education students will have access to parking at night, the computer area of the building will be accessible 24 hours/day while the rest of the building can be closed off, the staircases tie in with the east-west circulation of the campus, the building will house two auditoriums, and there will be student lounges scattered throughout the building.

Mr. Meisel stated the building will have the same square footage as was originally programmed. He said levels 1 and 2 of the building are for campus-wide activities, and levels 3 and 4 are for the School of Business. He said lecture halls and faculty offices will be on the east and west wing. Ninety-nine (99) percent of the offices have windows. The upper level contains the deans' and faculty offices. Mr. Meisel stated the building will be 64 percent efficient. He said the plans meet the budget requirements at this time.

Mr. Meisel stated the exterior of the building will be dark and light brick and limestone creating a pyramid effect.

President Pomerantz asked what kind of metal would be used. Mr. Meisel responded it would probably be a painted metal to reflect the spanish tile of other buildings on campus. He added that it would be a hard-finished metal roof.

President Pomerantz asked about the impact of the metal roof on the cost of the building. Mr. Meisel responded the metal roof would only create a small increase in the cost of the building.

Regent Duchen asked how many entrances the building would have. Mr. Meisel responded there would be access to students entering at level 2 into the auditorium level as well as entrance to the computer facilities on level 1.

Regent Duchen asked about the operating costs. Mr. Meisel responded that they opted not to have one central mechanical system but one which was decentralied. The basement system controls air handling for levels 1 and 2. The other system would be housed on level 4. He said this type of split system allows for a back-up system if one unit should fail.

President Pomerantz asked for the cost per square foot. Mr. Meisel responded the cost per square foot was $84.90 which included the site work.

Regent Fitzgibbon asked how the firm foresaw utility needs for the next 25 years. Mr. Meisel responded that they performed a heating and cooling analyzation which was included in the materials distributed to Regents.

President Pomerantz asked for the status of the design stages. Mr. Meisel responded that they were just completing the schematic design.

Regent Duchen asked whether any special kinds of rooms were needed within the building to address classroom needs. Mr. Meisel responded that there are a series of lecture rooms, seminar rooms, classrooms, and auditoriums, and each of the different lecture halls are to serve a different function.

Regent Duchen asked how many students the classrooms could be expected to hold. President Curris responded that most of the classrooms were designed to accommodate the latest trends in structuring classrooms with an emphasis on small- to medium-sized classes. He added that university officials felt comfortable with the translation of the program into architectural space. He said the university performed an assessment of what other schools are doing in this area and felt their desires were honored by the architects.

Regent Duchen asked whether special wiring would be needed to accommodate the heavy load created by the computer and other potential add-on features the university may desire. Mr. Meisel responded that had been anticipated. They expected that throughout the electrical system there would be a heavy load. Through the use of a specialized system above the ceiling the university would have easy access to a drop-in feature for lasers and other high-tech equipment. He said the building also would be ready to accommodate telecommunications equipment.

MOTION: Regent Harris moved approval of the university's capital register. Regent VanEkeren seconded the motion, and it carried unanimously.

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

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IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Thursday, September 17, 1987.

RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES FOR THE MONTHS OF JULY - AUGUST, 1987. The Board Office recommended the Board approve the personnel register for the months of July and August, 1987.

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

APPROVAL OF INSTRUCTIONAL TECHNOLOGY PROGRAM. The Board Office recommended the Board approve the proposed Instructional Technology and Resources Department at the Iowa School for Deaf subject to financing from internal reallocation.

Iowa School for the Deaf proposed the establishment of an Instructional Technology and Resources Department at the school. The organizational change involved in the development of this new department results in the combination of a new function that would be a focal point in developing appropriate technology applications for deaf education with two independent functional entities already existing at the school (i.e., computer and media services).

The new combined department would have as its function the development of appropriate technology applications for deaf education and the dissemination of this information to the field. Its primary focus and major thrust would be directed at Iowa School for the Deaf students, but the department would also serve the broader deaf community in Iowa and to a limited extent, elsewhere. This new technology as well as the computer and media resources will be developed and shared with professionals throughout the state. This function is consistent with the school's currently-approved mission statement.

The school noted that the department can be established with available staff, however, additional resource funds were requested as part of the "Improvement in the Quality of Education" budget request for fiscal year 1989.

Board Office staff felt the establishment of this department would provide a positive impact for the Iowa School for the Deaf students and in relationships with other educationally-related organizations in Iowa.

It was noted by the Board Office that the proposed personnel changes were not reviewed by the Board Office Personnel Unit, and that it would be necessary to seek separate approval for the new positions being created in this unit.

Superintendent Johnson stated he wished to capitalize on the potential and the technology available, and said it would make a difference in instructional quality for deaf children.

MOTION: Regent Williams moved to approve the proposed Instructional Technology and Resources Department at the Iowa School for Deaf subject to financing from internal reallocation. Regent Greig seconded the motion, and it carried unanimously.

APPROVAL OF ADMINISTRATIVE RESTRUCTURING. The Board Office recommended the Board (1) approve the administrative restructuring of the school consistent with Superintendent Johnson's exhibit and the discussion below; (2) approve drafts of position descriptions for an Assistant Superintendent and Director of Business Operations, and associated pay ranges with final descriptions and pay ranges presented for Board approval in October; (3) approve the position description for the Director of Facilities and associated pay grade assignment subject to review by the executive secretary; and (4) approve the table of organization for the school.

Superintendent Johnson identified several changes he would like to make in the organization and administrative structure of the school. These changes will assist the school in meeting what he believes are the current and immediate future needs of the institution and the students it serves. He identified three primary initiatives for the school for the next several years. They include improving the residential program, improving outreach endeavors, and upgrading facilities maintenance and improvements. Generally, the Director of Student Life position will have added to its responsibilities social work counseling, independent living (transitional) programming, and an expanded recreational-extracurricular program. The Director of Student Life position is in pay grade 6 ($27,311 - $39,852).

The position of Assistant Superintendent will serve as the chief academic officer responsible for elementary and secondary education programs. It will additionally be responsible for the Evaluation Center, Instructional Technology and Resources Department, Special Projects, and Curriculum and Staff Development. This position will serve as acting superintendent in the absence of the superintendent. The Board Office anticipated a pay range of from $35,000 to $45,000 for this position.

The position of Director of Business Operations has significantly smaller scope than does the current position Director of General Services. The plan

to move many of the business functions to Iowa State University and the removal of responsibility for facilities and personnel will reduce the requirements of this position. The Director of Business Operations will be responsible for all remaining business office functions including budgeting, procurement, payroll, and inventory. The current position of Director of General Services will be replaced by the position Director of Business Operations. A pay range from $23,500 to $32,000 is anticipated.

The position of Director of Facilities represented a new organizational unit for the school. Previously this function was performed as a part of the responsibilities of the Director of General Services. The position Physical Plant Supervisor was eliminated from the General Services unit as a part of this reorganization. It was anticipated the position would point-count into pay grade 5 ($23,781 to $34,092). Approval for this position was requested so that critical work can be gotten underway as soon as possible.

It was requested that the Board authorize its executive secretary to approve final position descriptions and pay ranges consistent with this discussion and point-counts of them.

The superintendent has been at the school about thirty days and the Board Office has not been able to complete detailed discussions with him on this organization. Therefore, approval of the conceptual basis, only, was requested.

MOTION: Regent Fitzgibbon moved to (1) approve the administrative restructuring of the school consistent with Superintendent Johnson's exhibit and the discussion below; (2) approve drafts of position descriptions for an Assistant Superintendent and Director of Business Operations, and associated pay ranges with final descriptions and pay ranges presented for Board approval in October; (3) approve the position description for the Director of Facilities and associated pay grade assignment subject to review by the executive secretary; and (4) approve the table of organization for the school. Regent Duchen seconded the motion, and it carried unanimously.

REGISTER OF CAPITAL IMPROVEMENTS BUSINESS TRANSACTIONS FOR THE MONTHS OF JULY - AUGUST, 1987 - NONE. The Board Office stated the capital register contained no transactions for the months of July - August, 1987.

APPROVAL OF CHAPTER 1 PROGRAM FOR 1987/88. The Board Office recommended the Board approve the Chapter I restricted fund budget in the amount of $74,743, subject to program approval by the Department of Education.

The proposed net budget this fiscal year is $74,743 which is an $18,381 reduction compared to fiscal year 1987. It is $47,550 less than in fiscal year 1986. Declining school enrollments have led to declines in federal Chapter I program support.

A part-time teaching aide position was deleted. Otherwise, the program is unchanged from the last year.

The school reported that Summer Travel Team activity will be extended through fiscal year 1988 with one-time Chapter I carryover funds from fiscal year 1987. The amount carried over is $15,826 and is available for fiscal year 1988 only. Support proposed for Summer Travel Teams will be $13,000. Use of fiscal year 1987 carryover funds must be approved by the Board as well as the State Department of Education.

Funding support for the Physical Therapy program was shifted from Chapter I support to the school's general fund.

Program activity remaining with Chapter I support includes an instructional program of $70,176 supporting two classroom teachers and one teaching assistant.

Other budgeted program costs are annual audit costs of $2,000 and indirect cost reimbursement of $5,537. The latter transfers to the general fund. Total Chapter I budgeted support of $77,713 is offset by $2,970 to be charged to either the general fund or fiscal year 1987 carryover funding.

MOTION: Regent Harris moved to approve the Chapter I restricted fund budget in the amount of $74,743, subject to program approval by the Department of Education. Regent VanGilst seconded the motion, and it carried unanimously.

REVIEW OF CAMPUS FACILITY NEEDS. The Board Office recommended the Board receive an oral report from Superintendent Johnson.

Superintendent Johnson is reviewing the need for capital improvements at the Iowa School for the Deaf campus. In conducting this review, he is utilizing the resources of Wilscam Birge and Associates, architects, the facilities planning and management staff at Iowa State University, and Board Office staff.

Two primary areas needing physical improvements were identified. The first is the upgrade and modernization of student dormitories. Significant improvements are required in the boy's dormitory area. Another area is additional recreation and physical education space for the students. Planning funds for both of these projects were requested by the school as part of its capital program for fiscal year 1989.

Superintendent Johnson stated he made earlier comments concerning the residential program needs. He said many Iowa School for the Deaf students do not participate on athletic teams. His desire is to address recreational and residential facilities.

ACTION: President Pomerantz stated the Board received the oral report from Superintendent Johnson by general consent.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Thursday, September 17, 1987.

RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES FOR JUNE 28, 1987, TO JULY 25, 1987; JULY 26, 1987, TO AUGUST 22, 1987; AND, PHASED RETIREMENT EMPLOYEES FOR 1987-88. The Board Office recommended the Board approve the register for the period from June 2, 1987, through August 22, 1987.

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

Phyllis Nesbit, Teacher
Marshall Berry, Business Manager

ACTION: President Pomerantz stated the Board approved the personnel register for the period from June 2, 1987, through August 22, 1987, as a consent item.

RESTRUCTURING ADMINISTRATIVE SERVICES. The Board Office recommended the Board (1) Approve the administrative restructuring which will combine all business and personnel functions of the school under a Director of Administrative Services effective January 1, 1988, with hiring for the position to be completed on or about October 15, 1987; (2) Approve discontinuation of the position of Director of Business and Finance on or about December 31, 1987, and Director of Planning and Personnel not later than March 31, 1988; and (3) Authorize the executive secretary to approve the position description for the Director of Administrative Services consistent with these administrative changes and with a pay range of $26,000 to $36,000.

In the recent past certain administrative functions at the school were handled by two separate offices. The office of business affairs was responsible for all business activities including, among others, payroll, budget preparation and control, and purchasing. The planning and personnel office was responsible for administration of all personnel functions including serving as Regent Merit System Resident Director and directly supervising the maintenance, custodial, laundry, and food services departments.

The school is presently a smaller operation than it was at the time the structure was developed for administrative services. Two other events will transpire during this fiscal year that cause this structure to be reviewed. Mr. Marsh Berry, the long-time Director of Business Affairs and Secretary/

Treasurer of the school, is retiring, and there is a plan to move certain aspects of the business operation to Iowa State University.

Superintendent Thurman reviewed the responsibilities of the positions of Director of Business Affairs and Director of Planning and Personnel and determined the functions could be combined after certain responsibilities of the business affairs position are moved to Iowa State University. He proposed to discontinue the position of Director of Business Affairs on or about December 31, 1987, and discontinue the position of Director of Planning and Personnel no later than March 31, 1988. A new position of Director of Administrative Services was developed to replace the discontinued positions.

Superintendent Thurman believed combining the positions was appropriate because the functions of the two positions are already highly interrelated, because the size of the school's student population does not warrant the present number of administrators, and because the salary savings derived are needed for other purposes.

A part-time personnel secretary will be developed within the existing clerical staff. The new position of Director of Administrative Services will be classified as an institutional administrator in part because it will have the institutional secretary/treasurer function within it. The Board Office recommended a salary range of $26,000 to $36,000 for the new Director because of the dilution of responsibility in the new position. Superintendent Thurman concurred in this salary recommendation.

MOTION: Regent Williams moved to (1) Approve the administrative restructuring which will combine all business and personnel functions of the school under a Director of Administrative Services effective January 1, 1988, with hiring for the position to be completed on or about October 15, 1987; (2) Approve discontinuation of the position of Director of Business and Finance on or about December 31, 1987, and Director of Planning and Personnel not later than March 31, 1988; and (3) Authorize the executive secretary to approve the position description for the Director of Administrative Services consistent with these administrative changes and with a pay range of $26,000 to $36,000. Regent Duchen seconded the motion, and it carried unanimously.

COACHING SUPPLEMENTS. The Board Office recommended the Board approve a supplemental pay schedule for coaches of activities at Iowa Braille and Sight

Saving School, as follows: Special Olympics and Track -$565 each; Goal Ball, Swimming, and Forensics - $388.75 each.

For the 1986-87 and 1987-88 academic years the Board approved supplemental pay for coaches of activities outside the regular instructional day at Iowa School for the Deaf. Superintendent Thurman identified five activities at Iowa Braille and Sight Saving School which require faculty coaching outside the regular instructional day. He related the amount of time required for these activities to the time required for similar activities at the Iowa School for the Deaf and pro-rated the supplemental pay on the Iowa School for the Deaf schedule accordingly. The Iowa School for the Deaf coaching/sponsorship schedule provides supplemental pay ranging from $1,190 to $200 depending on the activity and in some cases the experience of the coach/sponsor.

The total budget expenditure for supplemental pay would be $2,296.25 which the school reported is available.

ACTION: President Pomerantz stated the Board approved a supplemental pay schedule for coaches of activities at Iowa Braille and Sight Saving School, as follows: Special Olympics and Track -$565 each; Goal Ball, Swimming, and Forensics - $388.75 each, as a consent item.

ACKNOWLEDGEMENT OF GIFT FROM DR. ARBISSER, DAVENPORT VISION INSTITUTE. The Board Office recommended the Board accept and acknowledge the gift of $5,000 to the school from Drs. Amir and Lisa Arbisser, of the Davenport Vision Institute and Mercy Hospital, and approve the school's establishment of the ARBISSER CCTV Fund at the school.

The Drs. Arbisser made this gift to the school through the school's liaison teacher, Alan Koenig. Mr. Koenig serves on the advisory board of Davenport Vision Institute.

The Drs. Arbisser designated that their contribution be used to reduce the cost of Close Circuit Televisions (CCTV) for low vision students in Iowa. The gift is to be used to match contributions made by families for the purchase of a CCTV for students. Presently the price of a CCTV varies from $1,500 to $3,000. The school intends to establish a separate account for this gift and contributions of fifty percent of the cost of a CCTV received on behalf of a student will be added to the account. The school will then purchase the CCTV for the student.

ACTION: President Pomerantz stated the Board accepted and acknowledged the gift of $5,000 to the school from Drs. Amir and Lisa

Arbisser, of the Davenport Vision Institute and Mercy Hospital, and approved the school's establishment of the ARBISSER CCTV Fund at the school, by general consent.

APPROVAL OF CONTRACT FOR PHYSICAL THERAPY SERVICES. The Board Office recommended the Board approve the agreement with Covenant Medical Center, Waterloo, for the hospital to provide physical therapy for selected students at IBSSS at a cost of $30 per hour per therapist (including travel time), for the 1987-88 school year, at a total cost for the year not to exceed $5,000.

Pursuant to the proposed agreement Covenant will provide a physical therapist and Iowa Braille and Sight Saving School will provide a Certified Occupational Therapy Assistant (COTA) to carry out the therapy programs prescribed by Covenant's therapists. The school has a COTA presently on staff. Covenant will evaluate students referred for physical therapy services, write programs to be carried out by the Occupational Therapy Assistant, write Individualized Educational Programs (IEPs) for each student referred, maintain written documentation of physician referrals for physical therapy, provide inservice for staff as requested, meet with staff to coordinate program goals, provide consultation/direct services as needed, maintain written documentation of each contact with students, and write yearend reports.

The annual anticipated cost is approximately the same as it has been the past couple of years. Superintendent Thurman reported that the fifty percent increase in the hourly rate was reasonable in that the $30 hourly rate is within the market rate for such services. The superintendent reported that the previous $20 rate probably did not cover Covenant's cost of providing the service.

School officials reported they have been very pleased with the services provided by Covenant Medical Center and that those services contribute significantly to the school's compliance with federal and state statutory and regulatory requirements.

MOTION: Regent Fitzgibbon moved to approve the agreement with Covenant Medical Center, Waterloo, for the hospital to provide physical therapy for selected students at IBSSS at a cost of $30 per hour per therapist (including travel time), for the 1987-88 school year, at a total cost for the year not to exceed $5,000. Regent Greig seconded the motion, and it carried unanimously.

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

LEASE OF SPACE BY BENTON COUNTY OPPORTUNITIES, INC. The Board Office recommended the Board approve a lease with BENTON COUNTY OPPORTUNITIES, INC., for their use of approximately 1,507 square feet of space on the second floor of the building known as the Cottage at a cost of $1,220.67 per year for the 1987-88 school year.

The school was previously encouraged to lease vacant space to community service-based organizations for the cost of utilities and maintenance if the activities of the tenant do not interfere with the program of the school.

Benton County Opportunities, Inc., provides a group training program for severely disabled adults. The program emphasizes community interaction and integration. While the program has a training site elsewhere in Vinton, additional space was needed to teach independent living skills to small groups of clients. It was anticipated that at any one time three to five adult clients will use the leased space with a minimum of two staff members.

The lease rate is calculated at 81 cents per square foot per year. The Board Office encouraged the school to determine all costs associated with providing vacant space to other organizations and to recover those costs. The school reported that this lease will recover its costs associated with providing the space.

MOTION: Regent VanEkeren moved to approve a lease with BENTON COUNTY OPPORTUNITIES, INC., for their use of approximately 1,507 square feet of space on the second floor of the building known as the Cottage at a cost of $1,220.67 per year for the 1987-88 school year. Regent Williams seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Tyler.

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

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 12:50 p.m. on Thursday, September 17, 1987.

R. Wayne Richey
Executive Secretary