

The State Board of Regents met on Wednesday, September 17 and Thursday, September 18, 1986, at the Iowa State University. The following were in attendance.

	<u>September 17</u>	<u>September 18</u>
<u>Members of State Board of Regents</u>		
Mr. McDonald, President	All sessions	All sessions
Dr. Harris	All sessions	All sessions
Mrs. Anderson	All sessions	All sessions
Mr. Duchon	All sessions	All sessions
Mrs. Murphy	Excused	Excused
Mr. VanGilst	All sessions	All sessions
Mr. Greig	All sessions	All sessions
Mr. Tyler	All sessions	All sessions
Miss VanEkeren	All sessions	All sessions
<u>Office of the State Board of Regents</u>		
Executive Secretary Richey	All sessions	All sessions
Director Barak	All sessions	All sessions
Director True	All sessions	All sessions
Director Volm	All sessions	
Director Wright	All sessions	All sessions
Assoc. Dir. Runner	All sessions	All sessions
Assoc. Dir. Stanley	All sessions	All sessions
Asst. Dir. Peters	All sessions	All sessions
<u>State University of Iowa</u>		
President Freedman	All sessions	Exc. 2:35 p.m.
Vice President Ellis	All sessions	Exc. 2:35 p.m.
Vice President Remington	All sessions	Exc. 2:35 p.m.
Associate Vice President Small	All sessions	Exc. 2:35 p.m.
Asst. to President Mears	All sessions	Exc. 2:35 p.m.
Asst. to Vice President Davis	All sessions	Exc. 2:35 p.m.
Director Stork	All sessions	Exc. 2:35 p.m.
Director Bauer	All sessions	Exc. 2:35 p.m.
Director Cargile	All sessions	Exc. 2:35 p.m.
<u>Iowa State University</u>		
President Eaton	All sessions	Exc. 3:05 p.m.
Executive Vice President McCandless	All sessions	Exc. 3:05 p.m.
Vice President Christensen	All sessions	Exc. 3:05 p.m.
Vice President Madden	All sessions	Exc. 3:05 p.m.
Vice President Moore	All sessions	Exc. 3:05 p.m.
Assistant to President Crawford	All sessions	Exc. 3:05 p.m.
Director Lendt	All sessions	Exc. 3:05 p.m.
<u>University of Northern Iowa</u>		
President Curris	All sessions	Exc. 2:45 p.m.
Provost Martin	All sessions	Exc. 2:45 p.m.
Vice President Conner	All sessions	Exc. 2:45 p.m.
Vice President Follon	All sessions	Exc. 2:45 p.m.
Director Chilcott	All sessions	Exc. 2:45 p.m.
Director Stinchfield	All sessions	Exc. 2:45 p.m.
<u>Iowa School for the Deaf</u>		
Superintendent Giangreco	All sessions	Exc. 3:20 p.m.
Business Manager Kuehnhold	All sessions	Exc. 3:20 p.m.
<u>Iowa Braille and Sight Saving School</u>		
Superintendent DeMott	All sessions	All sessions
Business Manager Berry	All sessions	All sessions

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday and Thursday, September 17 and 18, 1986.

IOWA STATE UNIVERSITY ACADEMIC PLANNING SEMINAR. The board received the first session of the Iowa State University Academic Planning Seminar. The seminar will conclude on Wednesday, October 15, 1986.

APPROVAL OF MINUTES. The minutes of the board meeting of July 16 and 17, 1986, the minutes of the University of Iowa Academic Planning Seminar and the minutes of the University of Northern Iowa Academic Planning Seminar were approved by general consent of the board.

CONSENT DOCKET. The items on the consent docket appear in the appropriate sections of these minutes.

ACTION: President McDonald stated the items on the consent docket were approved by general consent of the board.

COMMITTEE ON EDUCATIONAL COORDINATION. a. Proposed Statement on Cooperation. The Board Office recommended approval of the process for monitoring intra- and inter-sector cooperation proposed by the Iowa Coordinating Council for Post-High School Education. The seven-step process as proposed would consist of (1) receipt of a complaint by one or more of the persons involved in the disagreement; (2) request for the disputants to meet and discuss the problem in an attempt to reach a voluntary settlement; (3) preparation of a report by each of the disputants explaining their position; (4) review by the committee of the reports submitted along with any other information essential to the resolution of the dispute; (5) recommendations developed by the committee based on its findings on the matter; (6) formal action of the Coordinating Council (by voting members present) on the action recommended by the committee; and (7) correspondence to each of the disputants explaining the findings and position of the Coordinating Council.

Mr. Richey explained the statement on intra- and inter-sector cooperation had come to the board many months ago. The board had adopted it, but there had been some concern expressed by board members. He stated the purpose of the

council was to try to work out problems on a voluntary basis. He said whatever the council did was advisory and not binding. He said he felt the proposal should be approved to give the council some recognition.

Regent Anderson spoke on the other side of the issue. She urged the board not to adopt the proposal of the council and rather adopt the proposal by the Interinstitutional Committee which appears below:

The Board of Regents fully endorses the statement on cooperation as adopted by the Iowa Coordinating Council for Post High School Education. This statement establishes a principle of good practice which voluntarily discourages unnecessary program duplication between the sectors. The statement also provides a positive approach to problem resolution by encouraging discussion between the parties involved. We believe that this action, which is consistent with the voluntary structure of the Coordinating Council, is all that is needed for an effective program coordination. Consequently, we do not feel that the proposed mechanism for oversight of the statement on cooperation is either needed or desirable since it would put the Coordinating Council in a position of arbitrator which is basically inconsistent with its voluntary structure.

The Regent institutions will carefully adhere to the principles of good practice enunciated in the statement on cooperation. Duplication will be avoided wherever possible. It is recognized, however, that adherence to this statement is voluntary in the sense that there is no veto power over an institution from any sector. It is also recognized that the institutions created by state statute have a legal mandate and indeed a responsibility to be appropriately responsive to the programmatic needs identified by Iowans. With respect to the Regent universities, this responsibility often means providing services consistent with the university's statewide mission. (approved by the Interinstitutional Committee on Educational Coordination, July 16, 1985)

Regent Anderson stated the Interinstitutional Committee had made a clear statement concerning the legal mandate of the Regent universities to respond to programmatic needs of Iowans. She stated the policy already said there would be communication between institutions. She said she did not think the board as the responsible representative of the people and the public universities should be put in such a position. She said the board should strongly support communication, but the board had to be in a position to carry out its mandate. She said the whole way of disseminating education and information was rapidly changing, and the board should not be bound into a

complex monitoring situation that would inhibit the response of the public universities to the needs of Iowa.

Mr. Richey stated the council's action was not mandatory, and the recommendation was to approve a mechanism to enforce a policy adopted earlier.

MOTION: Mr. VanGilst moved that the board approve the proposed monitoring process proposed by the Iowa Coordinating Council for Post High School Education.

Regent VanGilst stated this issue had been going on for a long time, and he felt the communication and cooperation was necessary even though the decisions of the council were not binding to the Regents.

SECOND TO MOTION: Dr. Harris seconded the motion on the floor.

Regent Anderson stated they had not functioned under the policy to see if the policy will do what it was intended to do without having the additional oversight monitoring process. The policy states very clearly that wherever there was possibility of duplication, it was incumbent on all parties to enter into communication. She maintained the board should allow time to see if the policy would take care of the problems before initiating a cumbersome monitoring policy. She stated she strongly spoke against the motion.

President McDonald stated there had been a concern expressed that, unless there was some voluntary process by which the council could resolve disputes, the result may be the establishment of a some statutory body to do it.

Regent VanGilst stated he had the same concern.

Vice President stated, being a representative on the council, he would personally support the comments made by Regent Anderson. He said the Regent universities were to support the citizens of the state.

Vice President Remington spoke very strongly in favor of the statement by the Interinstitutional Committee. He said he believed if the board adopted the recommendation of the Board Office, a system would be produced which was anything but voluntary. He said Step 6 of the council's proposed mechanism moves out of the area of voluntary and would create extreme moral pressure.

MOTION: Mrs. Anderson moved to substitute the proposal of the Interinstitutional Committee for the proposal of the Coordinating Council in the motion on the floor. Miss VanEkeren seconded the motion.

Regent Greig stated he felt the proposal of the Interinstitutional Committee should be given a chance to work; and, if it did not work, they could always go with a tougher statement.

WITHDRAWAL OF SECOND: Dr. Harris withdrew his second of the original motion.

MOTION: Mrs. Anderson moved that the board approve the proposed policy statement of the Interinstitutional Committee on Educational Coordination. Miss VanEkeren seconded the motion.

Regent VanGilst stated no one from the Regent institutions or the board spoke against the proposed process at the council meeting, and now the board was voting against it.

Regent Anderson stated she had been on the council for five years, and this had been a concern at many of the meetings. She indicated she had attended the majority of the meetings during that time.

Regent VanGilst stated not in the last three years.

VOTE ON MOTION: Motion was approved with Mr. VanGilst voting no.

b. Program in the Management of Information Systems, Iowa State University;
c. Minor Program in Criminal Justice; d. Ph.D. in Public Policy, Iowa State University. The Board Office recommended action be deferred on each of these programs until the university's review was complete.

President Eaton stated he agreed with the logic of the deferral. He said, however, that he did not believe action needed to be deferred until the entire strategic plan is developed. He said he would like to come to the board in October with additional data. He indicated he had appointed an ad hoc committee consisting of Vice President Madden and Executive Vice President McCandless to take a hard look at the fiscal impact of the proposed programs.

MOTION: Dr. Harris moved that the board defer action on the programs noted above until October. Mr. Tyler seconded the motion, and it passed unanimously.

e. Master of Fine Arts Degree, Iowa State University. This item was withdrawn by the university.

f. Master of Physical Therapy Program, University of Iowa. The Board Office recommended approval of the proposed program.

In June, the University of Iowa requested approval of a Master of Physical Therapy Degree. This request was referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The Interinstitutional Committee completed its review and recommended approval.

The Master of Physical Therapy Degree is not a new program, but merely modification of an existing certificate program in Physical Therapy. Three different types of programs provide educational preparation for entry level jobs in this field: Bachelors Degree programs in Physical Therapy; Certificate (or second Bachelors Degree) Programs for those who already hold the Bachelors in another field, such as Biology; and entry level Masters Degree Programs in Physical Therapy. Efforts are now underway nationally to raise entry level educational requirements from the Bachelors to the Masters Degree level. More than half of the programs (13) currently offering Bachelors Degrees expect to have a Masters Degree Program in place by 1990. As a modification of the current certificate program in Physical Therapy, the proposed program was recommended to strengthen the training of graduates. The new curriculum should improve course sequencing and provide for participation in investigative projects. In addition, the program provides opportunities for students to initiate work toward specialty practice, a forthcoming trend in the delivery of physical therapy care.

This program is the only program currently available in Iowa. The University of Osteopathic Medicine & Health Sciences anticipates admitting a class into a Masters Degree Professional Entry Program in July of 1987.

The program requires specialized faculty and facilities which are not available in any other college/or university setting in Iowa. The proposed program does, however, have clinical affiliations with 36 hospitals/providers of health care in Iowa.

Employment of physical therapists is expected to grow much faster than the average for all occupations through the mid 1990's because of anticipated growth in areas of rehabilitation and long term care. Many additional openings will result from replacement needs. Job prospects in physical therapy should continue to be excellent through the mid 1990's according to information from the U. S. Department of Labor, Bureau of Statistics. New graduates are in great demand and the number of people completing training programs is expected to fall short of what is needed to fill job openings for some time.

The university anticipates that there will not be any additional resource needs as a result of the adoption of this program for at least the next three years.

MOTION:

Mr. Duchen moved that the board approve the proposed Master of Physical Therapy Program at the University of Iowa. Miss VanEkeren seconded the motion, and it passed unanimously.

g. Center for Dental Clinical Studies, University of Iowa. The Board Office recommended approval of the establishment of the Center for Dental Clinical Studies within the College of Dentistry at the University of Iowa.

The Interinstitutional Committee in its recommendation for approval stated the center seemed advisable and appropriate, both in the interest of the College of Dentistry and the patients.

Earlier this summer, the University of Iowa proposed the establishment of a Center for Dental Clinical Studies within the College of Dentistry. The objectives of formalization of clinical studies in the College of Dentistry would be:

1. Provides coordination of both physical and human resources so as to facilitate faculty involvement in research in a clinical setting. This is a most important consideration, for many faculty feel more comfortable taking studies in this environment than in a laboratory.
2. Demonstrates to both the faculty and students that good research can be done in the clinic as well as in the laboratory. For this reason it is important to have a well defined and permanent physical location.
3. Offers facilities for product testing and clinical trials that can be supported for outside sources. This can become a major source of income as is evident at several other dental schools.

To accomplish these objectives, the establishment of the Center for Dental Studies was proposed. The center would complement the existing laboratory research programs being carried out in the Dows Institute and enhance the existing clinical programs, particularly in graduate education.

The funding for the proposed center would come from two sources. A large part of the activity of the center would be underwritten by the support of contracts negotiated for the conduct of clinical trials and testing of products. The university's only financial obligation would be for half of the salary of the director of the center and one staff person. These obligations would be met by reallocation within the university. The remainder of the center would be self-funded. The college currently has oral

or written commitments in excess of \$300,000 in grant funds for 1986-97 to support research related to the center.

The establishment of the center did not raise concerns with respect to duplication since there were no duplicating units in the state.

MOTION: Dr. Harris moved the board approve the establishment of the Center for Dental Clinical Studies within the College of Dentistry at the University of Iowa. Mr. Duchon seconded the motion, and it passed unanimously.

h. Post Audit Reports. The Board Office recommended acceptance of the post audit reports on the B.S. Degree in Statistics and the B.S. Degree in Actuarial Sciences at the University of Iowa and approval of the continuance of these two programs.

The post audit reports were submitted to the board in July and referred to the Interinstitutional Committee and the Board Office for review and recommendation. The committee reviewed the reports and recommended acceptance.

At the time these programs were initially presented to the board, the university indicated the designations of the B.S. in Statistics and the B.S. in Actuarial Science gave more recognition and visibility to two important programs that the university had offered as sub-tracks of the B.S. in Mathematical Sciences. The university felt it was important students, faculty members, and employers understood these undergraduate programs were offered.

The enrollments in the two programs appear to be consistent with those projected at the time the programs were proposed.

The report identified \$52,000 in increased expenditures as a result of implementing the actuarial science program. These costs were not projected at the time the programs were proposed. At that time the university indicated "there would be no increases in expenditures related to the adoption of this program". The university indicated the increased funding involved would have been required even if the program had remained as a track within the general Mathematical Sciences Degree rather than being established as a separate degree program.

Regent Duchon asked if the program had received any grants from insurance companies.

Vice President Remington stated they had received generous support from the insurance companies in Des Moines. He noted the Actuarial Science was regarded very highly nationally, and graduates were easily employed in the insurance industry.

Regent Duchien asked for the specific amount of the grants.

Vice President Remington indicated he did not have the specific amounts readily at hand but knew the grants had been substantial, and the dialogue was continuing.

MOTION: Mr. Duchien moved that the board accept the post audit reports on the B.S. Degree in Statistics and the B.S. Degree in Actuarial Sciences at the University of Iowa and approve continuance of the programs. Mr. Greig seconded the motion, and it passed unanimously.

PRELIMINARY ENROLLMENT REPORT, FALL 1986. The Board Office recommended receipt of the preliminary (unofficial) enrollment report for Fall 1986.

Below are the preliminary total head count and FTE enrollment for Fall 1986.

	Head Count	Fall 1985 +/-	FTE	Fall 1985 +/-
University of Iowa	29,200 to 29,300	-451 to -351	--	--
Iowa State University	26,400	-129	24,535	-137
University of Northern Iowa	11,550	+36	9,640	-52
Iowa School for the Deaf	133	-30	--	--
Iowa Braille and Sight Saving School	63	-5	--	--

In October and November and November the board will receive the official enrollment counts and a breakdown of enrollments by unit, race, sex, handicap, resident/non-resident, and foreign student status. The board will also receive a report on Fall 1986 enrollment for all post-secondary institutions in Iowa.

ACTION: President McDonald stated the report was received by general consent of the board.

STUDENT ADMISSION POLICY, UNIVERSITY OF NORTHERN IOWA. The Board Office made the following recommendations:

1. Reaffirm the Board of Regents' current "Admission Policy Common to the Three State Universities."
2. Request the consideration of establishing specific "Subject Matter Requirements" at the three universities to ascertain ways of tightening the requirements to achieve the desired enrollment levels.
3. Approve the proposed change in transfer policy definition for the three Regent universities with the grade point average for acceptability of course credit being set by each program; and
4. Authorize the University of Northern Iowa to set a university-wide enrollment cap with qualified students to be admitted on a first-come basis with a limit of 5 percent from the lower half of the high school graduating class and the specific cap to be approved by the Board of Regents prior to implementation.

Mr. Richey stated most of the recommendations of the Board Office had been initially recommended by the university. The differences related to the top one-third of the graduating class and the limitation of the number of students from the bottom one-half.

The policy as proposed by the university had three basic components:

1. Students ranking in top one-third of their high school graduating class will be automatically admitted. Students ranking in the top half of their graduating class, but below the top one third will be admitted, if they have either (a) completed the high school core or (b) have earned an ACT composite of 18 or above.
2. The establishment of core high school curriculum requirements as follows:

English, four units, including one year of composition
Mathematics, three units, including Algebra I
Social Studies, three units
Science, two units, including a lab course
Electives, two units, from the above areas and/or foreign language and/or fine arts

3. Redefinition of a transfer student as a student who has earned 24 hours of university coursework at another regionally accredited institution of higher education, and

Establishment of a sliding grade point average scale for admission, accordingly:

60 or more semester hours	--	2.00 minimum cumulative GPA
42-59 semester hours	--	2.25 minimum cumulative GPA
24-41 semester hours	--	2.50 minimum cumulative GPA

Students with less than 24 semester hours would be eligible for transfer if they possessed the requisite grade point average.

Implementation: These admission policy changes would be in effect for freshmen enrolling for the 1987 Fall Semester and for transfer students enrolling for the 1987 Spring Semester. It is understood that this time frame may pose some difficulties for a few high school seniors unable to schedule the necessary core curriculum courses. During the first year of implementation, special consideration would be accorded on a case-by-case basis.

Regent Tyler stated he had commented from time to time regarding receiving material on a timely basis. He noted the docket memorandum outlining the recommendation for the admission policy at the University of Northern Iowa had not been sent with the docket book. He had not received the memorandum until the evening before the board meeting, and he had not time to adequately contemplate the recommendations.

Mr. Richey apologized for the late receipt of the docket memorandum. He explained there had been an illness and unexpected hospitalization in the Board Office professional staff which caused the delay in the preparation of the memorandum.

Regent Harris stated he felt it would be helpful to have President Curris comment on the statements in the docket memorandum about high school grades being a better predictor of college success than ACT scores.

President Curris stated there was no one single predictor that was best. He said the best predictor would be a combination and even that would not take into account human motivation and late bloomers. He said there were applicants who may rank in the 45th percentile who the admissions people thought were much better prospects than those above the 50th percentile. He said the question was whether they relied on the admissions people or adopt another arbitrary cut-off.

President Curris stated that both the recommendation of the university and the recommendation of the Board Office would probably accomplish the objectives. He said that his people had worked hard for their proposal, and he thought it was superior because of the work that had gone into it. He said that with a couple of modifications in the recommended action the policy would be acceptable to the university. He said that it did not follow that the people who came first were the best. Students have applied in the fall and ranked in the upper half; but, when the final transcript arrived in the spring, they ranked in the lower half. He said he would like to see the reference to "first-come basis" eliminated from the policy.

President Curris went on to say that all three institutions accept students in the bottom 50 percent. He said last year the University of Iowa accepted approximately 400 from the bottom 50 percent and Iowa State University, approximately 400. He said this year the University of Northern Iowa accepted 250 students from the bottom half. He said if the policy of accepting a limit of 5 percent from the bottom half were approved, they would only accept 100 students. He explained of the 200 students they accepted this year, over 60 percent were ranked between the 40th and 50th percentile or had high ACT scores and the admissions people believed they were good risks. He said the common belief was that these admissions were athletes. He noted that of the 200 students only six were football players and two were basketball players. He said there were a lot of admissions who were especially talented in either art or music. He said sizable number were basically high risk admissions from the Upward Bound program as well as a number of nontraditional students. He said he would prefer to see the limitation be 10 percent rather than 5 percent.

Mr. Richey stated he had no problem with eliminating the reference to "first-come basis" from the recommended action. He said with respect to the lower half recommendation, it was recommended to illustrate a point and establish a concept in the board's mind. He said the University of Northern Iowa moved from 19 percent last year to 10 percent this year. He stated he, too, was concerned about the possible impact on disadvantaged students and nontraditional students. He was not strongly committed to the 5 percent limitation in terms of reaching the ceiling the institution wishes to establish. He added the university must come down 71 students to reach the mark of 11,500. He said it was possible with the funnel constricted and with the subject requirements, they would get a voluntary level of enrollment without having to establish an arbitrary ceiling.

Regent Anderson stated given President Curris' explanation of the admissions from the lower half and given the potential for decreasing enrollments anyway, she would prefer not to fix a specific percentage.

Mr. Richey stated he assumed this was only a one-year policy because the other controls would go into effect in future years.

Regent Anderson asked if recommendation #2 was asking that the board agree on subject matter requirements.

Mr. Richey stated not in a common statement.

Regent Anderson asked why a common requirement would not be a good idea.

Mr. Richey said it was because each university was different.

Regent Duchon stated he would prefer not to see a common requirements because there were so many uncertainties as to the demographics in the future, and he would like to see some flexibility in the hands of the university.

President Freedman stated he would applaud Regent Duchon's comments. He said each faculty had its own personality.

MOTION:

Mr. Tyler moved that the board approve the recommendations as follows: (1) Reaffirm the Board of Regents' current "Admission Policy Common to the Three State Universities." (2) Request the consideration of establishing specific "Subject Matter Requirements" at the three universities to ascertain ways of tightening the requirements to achieve the desired enrollment levels. (3) Approve the proposed change in transfer policy definition for the three Regent universities with the grade point average for acceptability of course credit being set by each program; and (4) Authorize the University of Northern Iowa to set a university-wide enrollment cap with qualified students to be admitted with a limit of 10 percent from the lower half of the high school graduating class and the specific cap to be approved by the Board of Regents prior to implementation. Dr. Harris seconded the motion.

Vice President Remington congratulated the Board Office and President Curris and his colleagues from the University of Northern Iowa. He noted he did not think the issue would ever get resolved, and the resolution showed tremendous progress. He said the first three recommendations referred to all three universities. He added the faculty of the University of Iowa would welcome the fourth recommendation. He said if there was authorization to propose a ceiling on enrollment, it would be useful for all three universities. He said they could explore that with the Board Office staff and work out the details and come back with a proposal.

Regent Harris stated he did not strongly disagree, but he said it must be remembered the situation at the University of Northern Iowa was quite different from the situations at either Iowa State University or the University of Iowa. He said that he was not sure next month or the month after or even six months from now that he would be willing to vote to allow the other two universities to set a cap on their enrollments. He said, though, he may change his mind in that period time. He stated the point he wanted to make was that he was very pleased to have moved rather quickly but with a lot of thought and study to a point where most never would have dreamed they would be at this time. He said that being the case he would strongly support the motion on the floor and would strongly express the wish that if the issue were studied that it be studied for a period of time and not come back with a proposal in October or November.

Vice President Remington stated that recommendation #4 did not set a cap for the University of Northern Iowa but left to the board the authority to approve a specific cap. He said that was a broad authorization. He said he was not sure they would even ask for a cap; but, since they had a history of underestimating some of the enrollment trends in the past, he thought he would be useful to allow this opportunity to all the universities.

President McDonald stated he felt the board should vote on the motion on the floor.

Regent Tyler asked why not amend the motion to say "Regent universities" rather than just the University of Northern Iowa. He also asked why did they need to study the issue further.

President McDonald stated he would rather see the board vote on the motion on the floor.

Regent Harris called for the question.

VOTE ON MOTION: Motion approved unanimously.

President Curris stated they had gone ahead, assuming the approval of the recommended actions, and had formulated a proposal to establish a ceiling of 11,500 for year beginning with the Fall of 1987.

MOTION: Mrs. Anderson moved that the board authorize the University of Northern Iowa to limit its Fall 1987 enrollment to 11,500 students. Dr. Harris seconded the motion.

Regent Greig asked how many transfer students would be affected by the change in policy.

Director Stinchfield stated he could not answer that question with a great degree of precision.

VOTE ON MOTION: Motion approved unanimously.

MOTION: Mrs. Anderson moved that the board authorize the University of Iowa and Iowa State University to include the consideration of enrollment caps as they look at the management of their enrollments. Miss VanEkeren seconded the motion.

Regent Harris stated the private colleges would be delighted at the board's action.

VOTE ON MOTION: Motion approved unanimously.

President McDonald stated the Board of Regents had a 3:30 p.m. appointment with a group of legislators. He noted the meeting would be held in open session. He stated that following the meeting with legislators there was need for the board to meet in closed session.

EXECUTIVE SESSION. President McDonald requested that the board enter into executive session to discuss strategy with counsel in matters that are presently in litigation or where litigation is imminent where disclosure would be likely to disadvantage the position of the state pursuant to Chapter 21.5(1)(c) of the Code of Iowa. Dr. Harris moved that the board enter into executive session. Mr. Tyler seconded the motion; and upon the roll being called, the following voted:

AYE: Anderson, Duchen, Greig, Harris, McDonald, Tyler, VanEkeren, VanGilst.

NAY: None.

ABSENT: Murphy.

The board, having voted by at least two-thirds majority, resolved to meet in executive session beginning at 5:15 p.m. on September 17, 1986, and arose therefrom at 5:35 p.m. on the same date.

President McDonald stated no further public business would be transacted following the meeting with the legislators, and the board would reconvene in public session at 9 a.m. on September 13, 1986.

MEETING LEGISLATORS. The board met with Representative Sue Mullins, Representative Johnie Hammond, Representative Minnette Doderer, Representative Ralph Rosenberg, and Representative Jane Teaford. These legislators represent the areas of the state where the Regent universities are located, and they requested the opportunity to meet with the board.

The university presidents and members of their staffs as well as representatives of the press and the Board Office were also in attendance. Executive Secretary Richey was not present.

Representative Mullins stated she had been concerned about the growing sense of antagonism toward the Regents, and the possible negative effect that might have as the state moved further and further into tight budgetary times. She said they had talked individually with members of the board and with the university presidents and some of the deans. She said they had decided they needed to talk informally with the board about their concerns and where they were stemming from. She noted other legislators were concerned but were unable to attend. These were Senator Lind, Senator Bruner, Representative Lloyd-Jones and Senator Corning.

Representative Mullins stated they polled the legislators about their major concerns with the Regents. One major concern was the fact that the board was being perceived as arrogant. Other areas were affirmative action; information coming from the University Hospitals and Clinics; duplication of academic programs among the three universities; tuition and possible enrollment caps; and child care.

Representative Rosenberg stated one of his concerns was affirmative action. He said he had just received a copy of the Regents administrative rules on the subject. He said his concern was in the nature of the environment in which the rules were presented. He said frequently the Regents took positions asking to be exempted from legislation and that was on the increase. He said the image of the Regents in the legislature is that the Regents would stand for a particular issue; but, when it came to implementation, the Regents did not want to be involved. He said he had seen that surface in several areas.

Representative Doderer stated it was not a very flattering label in the General Assembly. She said it was said many times last session because of the state reorganization. She said the affirmative action rules covered about everything and were really a good start on affirmative action guidelines. She said it was now up to each institution to formulate its own rules. She indicated she was pleased with the rules. She said she was appalled, though, at the figures relating to employment of women and minorities. Both the University of Northern Iowa and Iowa State University had progressed in the last two years over the previous four years. She said the University of Northern Iowa in 1985-86 hired six women in the higher ranked positions where in the previous two they had hired only two. Iowa State University had hired eleven in the last two years as opposed to eight in the previous four. She said the University of Iowa had hired 18 in the previous four years and 11 in the last two years. She said, while these were good, it was the board who had to watch this.

President McDonald stated the board really meant what was in the rules.

Regent Duchen stated at the last board meeting when the University of Iowa affirmative action person was speaking to the board, he had tried to get the message across to her that she was the affirmative action person and should not take any "baloney" from the president but take her direction from the board. He said he compared the affirmative action director to the chairman of an audit committee in a business. He said affirmative action does not necessarily get accomplished by the rules and the law but by the state of mind and what was in the heart of employers.

Regent Harris stated there was an item on the docket which would come before the board tomorrow concerning the affirmative action officers which resulted from Regent Duchen's comments at the July meeting. The proposal recommended by the Board Office would state that the affirmative action officers would report to the board and not to anyone at the institutions.

Representative Doderer stated she felt that was a positive step.

Regent Anderson stated the issue of "except for the Regents" was interesting to her. She said one of the areas where the legislation said "except for the Regents" was in the affirmative action area and that was where it was said the Regents had done a good job. She said when the legislators heard "except for the Regents" from the lobbyists it was not in some special interest kind of thing, it was an honest belief that it was in the best public interest. Regent institutions have over half of the personnel in state government and practically half of the state budget. She said they were different than the other departments. She said, though, she recognized how that sounded. She asked what could the board do when it felt exclusion from certain pieces of legislation was in the best interest of the state.

Representative Doderer said the legislative liaisons needed to talk to the legislators who represented the Regent institutions.

Representative Hammond stated that was part of it. She said they felt the Regents were unique. She said she felt the Regents needed to carefully evaluate when the Regents should be excepted from things. She said some legislators tell them that "except for the Regents" is built into the computer program. She said "except for the Regents" should be used very carefully.

Regent Anderson stated the board reviewed its legislative program very carefully. She said may be there were too many exceptions, but they were not requested without thought.

Representative Rosenberg stated economic development was one way they could make the point that higher education was state wide. He said it was still considered "pork barrel" legislation by much of the General Assembly. He

said it had to be done on a state-wide basis and would have to bring home that it is not just economic development that is state wide but also the higher education issue.

Regent Anderson asked if Representative Rosenberg was saying that the board should work better as a team with the legislators.

Representative Rosenberg said yes but that, too, it should be considered on a state-wide issue.

Representative Mullins stated it was necessary to have a positive relationship with at least a simple majority of the members of the House and Senate. She said that did not exist at the present time in the House, and it was fast moving that way in the Senate. She said their concern was that the board needed to understand that. She said she felt strong public higher education was essential for the general well being of the state.

Representative Doderer stated the legislators representing the cities where the Regent institutions are located should not be felt to be unintellectual when the board disagrees with their positions on given issues. She said there has been such disagreement on the maternal and child health issue. She said in the debate of that issue, feelings were very negative toward legislators if they did not believe what the Regents believed. She said, after a legislator disagrees with the board, it should look hard to find something positive to say to them.

Regent Harris stated he felt the board could easily take care of the issues which had been raised so far.

Regent VanGilst stated there was provision in the Code for a visitation committee which consisted of Chair of the Appropriations Subcommittee of the House and Senate, ranking member of the Appropriations Committee and Chair of the Education Committee. He said this committee had not been operating. He said communication was a big factor. He said when he was in the General Assembly, the committee was active and would visit the various institutions.

Representative Hammond said she thought the committee worked last year.

President Eaton asked for clarification. He said he got the impression when they were talking about the inadequacy of communication to the legislator, was it said that the liaisons were inadequate?

Representative Mullins stated they were not inadequate, but they needed to work hard on those legislators who represent the Regent institutions.

Representative Hammond stated that was true; but they also needed to keep other legislators informed, too.

Representative Doderer said there was something, but she didn't know what it was. She said when they disagreed with the liaisons, the liaisons would not talk to them anymore.

Representative Mullins stated it was her fear that would reflect on all of the universities.

Representative Hammond stated there was a perception in the legislature that the board felt the women of the legislature were against the board. She said the women in the legislature were very interested in decentralization of the obstetrics program, and it was assumed the legislators were against the Regents particularly the University of Iowa. She said that was something they certainly did not intend. She said if it were checked it would be found the women were probably in more support than their male colleagues except perhaps in the issue of the decentralization of the obstetrics program.

Regent Harris stated the problems simply had to be discussed. He said he didn't know that he felt the women were against the board. He said he didn't think he ever tied personalities to the issues. He said his disagreement may have been based in part on not totally understanding both sides. As a physician, he stated he was concerned about taking the obstetric program away from the University Hospitals. He said he talking in terms of not having enough babies to provide experience that physicians need if they are going to deliver babies. He said he was not one who felt that if such a change were made, the world would come in an end. He said people were resilient and would come with new ideas. He said the fear had been that the University Hospitals would lose teaching material. He said he was also sympathetic about asking a woman to drive clear across the state to deliver a baby. He said, on the other hand, there could be problems associated with the woman delivering a baby in her home community. He said time of action was measured in minutes when there was a problem with a newborn infant. He said the other factor was who was going to pay doctors to deliver babies in the community hospitals and at what rate. He said it was nice to have this meeting with the legislators, and he did not think there were problems that could not be worked out.

Representative Mullins stated communication was a problem. She said she had seen minutes of meetings which indicated that the board was not always given an accurate description of legislative research and actual comments made by legislators. She said throughout the entire debate which began about a year ago, she did not believe any of the women in the legislature, and she noted she was not too sure about the men, were contacted and asked why they felt the way they did except for Representative Doderer and Representative Lloyd-Jones.

Regent Harris said, in reply to Representative Mullins' remarks, he felt she was probably correct. He said there wasn't another teaching hospital that is as well operated as the University Hospitals. He it was the largest and

might be the only one that ends up in the black. He said John Colloton had to be the best hospital administrator in the world. He said he did not mean changes could not be made.

Regent Anderson stated they did not have time to debate the decentralization issue. She said she thought what Regent Harris was saying was that complete decentralization would affect the teaching of obstetrics in the College of Medicine. She said there were people of goodwill who were honestly concerned about the women involved. She said she was concerned about maternal and child health. She said she did not think they could assume that the legislators wanted to get rid of the obstetrics patients and that she did not care about babies. She said the legislators were right that they should not be alienated on other issues because of a difference of opinion on one issue. She said she was most concerned about whether or not the legislators were getting accurate information from the University Hospitals. She asked that the board be given examples.

Representative Mullins cited one example that happened about five years ago concerning the Mobile and Regional Child Clinics.

Regent Anderson stated she was aware of that incident and asked if there were incidents in the last year or two.

Representative Mullins stated with respect to the obstetrics issue, the Dean of the College of Medicine had never appeared before the committee. She said she had heard from the hospital that it would lose its accreditation and could not teach obstetrics and gynecology and probably pediatrics if obstetrical care was decentralized because there would not be a sufficient number of deliveries. She said the legislature found this to be untrue. She said they were also told it would be impossible to send residents off the campus where in fact there were family practice residents who have been going off campus for some time.

Regent Harris suggested that Paul Seebohm and Jack Eckstein could meet with the group.

Representative Mullins stated the group would be willing to try that.

Regent Anderson stated she felt some of the problems were due to poor communication.

Representative Mullins stated it was becoming clear they were getting information that was misleading at the very least which went back to the credibility issue. She stated the legislative staff had spent an inordinate amount of time and money double checking information provided by the hospitals. She said it may come to subpoena people to testify before the committees or at least video tape the proceedings.

Regent Anderson stated she was trying to get a handle on whether or not there was incorrect information coming out of the hospitals. She also asked if the board was getting inaccurate information.

Representative Doderer stated it was continually said that the doctors out in the state were not competent to deliver babies. She said back as far as 1976 at a meeting in the basement of the Union, Mr. Colloton said that he could give up some of those babies, but there never has been a plan proposed.

President Freedman stated they had said they could keep the babies from the 11-county area surrounding Johnson County, and the remainder could be decentralized.

Regent Anderson asked if the legislators were getting information when they requested it.

Representative Mullins stated they were, but sometimes they had to ask several times; and it does not come in a form that was usable.

Regent VanGilst said only Frank Stork, Glen Dickinson, and the Board Office should be contacted for information.

Representative Mullins stated those were the sources they used. She said she was frustrated when she attended national meetings and was greeted by people from other states with "are the University Hospitals still making fools of the legislature in Iowa?" She said she was tired of the hospitals being perceived this way.

Representative Doderer stated she thought the new rules to implement decentralized obstetrical care allocated \$1,400 for each delivery.

Regent Harris stated he felt that would be a little short for both doctor and hospital. He said the meeting had identified the issues in a global sense. He said that some of the board members needed to set down with some of the legislators and Paul Seebohm and Jack Eckstein to discuss the issues in more detail.

Representative Doderer said the issue was how many babies did the hospital need to run a good teaching hospital.

Regent Harris stated he and the board wanted communications to be the very best. He said that sitting down and talking would be the best way to guarantee there would be good relationships. He said the board wanted the legislature to be informed because it needed the legislature's help.

President McDonald stated he did not want the situation to exist any longer where legislators are unable to get credible information. He said he was

glad they had this opportunity to meet and said it had been helpful to the board.

Representative Hammond stated the legislators who had made a policy decision on the obstetrics issue were nevertheless anxious to preserve the quality of the hospitals. She said everyone needed to work together to maintain quality as well as implement the policy.

Representative Mullins stated another area of concern was economic development.

Representative Rosenberg stated some of his concerns had already been raised. He said there was a perception among the legislature that the Regents were not a state-wide institution and that they were too autonomous. It was felt that the executive branch needed to monitor all economic development activities. He said since school had started, he had received a tremendous amount of contacts from people who were very insecure. They were very concerned about tuition increases, about getting into classes they needed, about faculty leaving, and about the lack or physical deterioration physical facilities. He said they were looking to the legislature and to the Regents to ameliorate the situation. He said he saw that as a real problem.

Representative Teaford stated she had attended the meeting to listen to the discussion. She said last week she had visited with a group of nurses, and one nurse said the University Hospitals were a threat to all of the other hospitals in the state.

Regent Harris stated he knew two hospitals that were not concerned.

Regent Anderson said she felt there was a tremendous lack of understanding of the role of the hospital in maintaining health care all over the state.

Representative Doderer asked how the problem could be corrected.

Regent Anderson stated everyone had to be informed.

Regent Harris asked that the legislators write a letter to President McDonald outlining the issues and stating they would like to meet to discuss them. He said the board would take it from there and would deal with it most expeditiously.

Representative Doderer stated another concern was that the employees of the University of Iowa were extremely interested in day care.

Regent Anderson stated Iowa State University did have a specific item in its budget for child care.

Representative Doderer noted that the Department of Transportation had done it.

Representative Mullins stated they would appreciate being kept informed on real or perceived duplication of instructional programs because that was an area which would be closely watched this coming year.

Regent Anderson stated that the board was extremely sensitive to the issue of duplication.

President McDonald recommended the legislators read President Eaton's capstone statement in the long-range planning report.

Regent Anderson explained the board had just approved a cap on enrollment of 11,500 students at the University of Northern Iowa and also authorized the other universities to take into consideration enrollment caps when they look at managing their enrollment.

President McDonald thanked the legislators for their interest and concerns.

The following business was transacted on Thursday, September 18, 1986.

IOWA COORDINATING COUNCIL FOR POST HIGH SCHOOL EDUCATION. The Board Office recommended receipt of the report of the September meeting of the council.

President McDonald stated Regent Tyler and Regent VanGilst were present at the council meeting.

The following are highlights of the meeting:

SUMMER INSTITUTE FOR TEACHERS: The Coordinating Council heard a status report on the Summer Institute Program which is coordinated by the Iowa Coordinating Council for Post High School Education and administered by the Iowa College Aid Commission. Gary Nichols from the Iowa College Aid Commission reported that \$460,000 was available for Summer Institutes in 1986. Eleven institutions had submitted proposals, five of the eleven proposals were approved for funding by the Coordinating Council. There was a slight shortfall of approximately \$6,000 for Summer 1986, but the money would be provided from Summer 1987 funds so that the institutions offering Summer 1986 institutes would be fully reimbursed for their expenses. It was estimated there would be approximately \$1 million in funding available for Summer 1987.

PROCEDURE FOR RESOLVING PROGRAM DISPUTES: There was a brief discussion of the proposed procedure for resolving program disputes. Robert Barak indicated that the Board of Regents had referred the matter of the Board's action on the proposed procedures to the Interinstitutional Committee on Educational Coordination. The committee had drafted a response which will be

provided to the Board of Regents at the September meeting. (The board's action on this item appears elsewhere in these minutes.) This item has been placed on the agenda for the October meeting of the Coordinating Council.

PROPOSED REVISION OF IOWA COLLEGE ENROLLMENT REPORT: The Coordinating Council approved a proposed revision in the Iowa College Enrollment Report that would provide better information regarding off-campus credit offerings.

NEW PROGRAMS: The Coordinating Council received without comment reports from the Area Colleges and the Regent Universities on proposed new programs.

TORT LIABILITY: The Coordinating Council heard a report by Thomas Teaque, President of the Louisiana Association of Independent Colleges and Universities and member of the NACUBO Task Force on Tort Liability. Mr. Teaque indicated that there are many national efforts underway in the field of higher education to address the tort liability problem. He indicated that the National Governors Association the Association of Governing Boards and NACUBO (the National Association of College and University Business Officers) was developing recommendations in this area.

Mr. Teaque indicated that NACUBO was developing model legislation in which not-for-profit corporation board members were exempt from tort claim liability. He said that there was an effort underway to form a higher education insurance company through NACUBO.

ACTION: President McDonald stated the report of the meeting of the Iowa Coordinating Council for Post High School Education was received by general consent of the board.

NEBRASKA COMMISSION FOR SPECIAL EDUCATION. The Board Office recommended receipt of the report on the activities of the Nebraska Commission for Special Education.

Governor Bob Kerrey announced the appointment of a Nebraska Commission for Special Education in August. The commission, an ad hoc committee, was charged with negotiating compacts with Iowa, Kansas, and Wyoming for interstate residential special education programs. The Governor charged the commission to "consider residential programs in the context of Nebraska's responsibility to provide a quality education to all students with special needs."

The commission met at the Iowa School for the Deaf on August 22 and provided with information regarding enrollment, programs offered, and teacher certification. The commission is planning to return to the Iowa School for the Deaf on September 19 to review a lower elementary, high school, and vocational class in session since classes were not in session at the time of the first visit.

The commission is also planning to visit the Iowa Braille and Sight Saving School. The visit will include a tour, and the commission members will be provided with information about the school similar to that provided by the Iowa School for the Deaf.

At the present time, it is not clear what other activities the commission may become involved. It was noted that some kind of interstate compact involving the two Regent schools may be proposed. The group should complete its work by December 31, 1986.

ACTION: President McDonald stated the report was received by general consent of the board.

ANNUAL REPORTS OF THE ADVISORY COMMITTEES TO THE IOWA SCHOOL FOR THE DEAF AND IOWA BRAILLE AND SIGHT SAVING SCHOOL AND APPOINTMENTS TO THE COMMITTEES. The Board Office recommended the board receive the annual reports and approve the appointments and membership for the two advisory committees for 1986-87.

Iowa School for the Deaf Advisory Committee Annual Report: Following a report on a survey of students conducted from 1970 through 1985, the committee provided suggestions for improvement of the evaluation procedures utilizing the expertise of the University of Northern Iowa in design of the survey instrument. The committee provided the superintendent with recommendations on structure, terms of office, and tasks of committees which were advisory to him. The committee advised changes in four policies proposed by the school and indicated that administrative changes recommended by the school administration should be reviewed after a year.

The committee also heard reports and gave advice on workshops, accreditation visits, curriculum and program revisions, the Adult Enrichment Center, and the status of handbooks for faculty, students, and personnel.

Extensive discussions were held concerning the work of the task force which was established at the request of Governor Branstad to look into the feasibility of consolidating the two special schools. A resolution was jointly drafted on the subject by the Iowa School for the Deaf and Iowa Braille and Sight Saving School Advisory Committees and presented to the Board of Regents in March.

The committee membership recommended for 1986-87 is as follows:

From the University of Iowa: Charles Anderson (term 1985-87)
Kenneth Moll (term 1986-88)

From Iowa State University: Anton Netusil (term 1986-88)
Virgil Lagomarcino (term 1985-87)

From University of Northern Iowa: Bruce L. Plakke (term 1986-88)
Marion R. Thompson (term 1985-87)

Consultant: Roberta Truax, Professor, Special Education, College of Education, University of Cincinnati (term 1985-87)

Ex-Officio: C. Joseph Giangreco, Superintendent
Robert J. Barak, Board Office

Iowa Braille and Sight Saving School Advisory Committee Annual Report: The committee reviewed copies and gave advice on a student questionnaire developed with the assistance of the University of Northern Iowa at its Fall 1985 meeting and later received a summary of the results of the survey. The complete survey, which was distributed to the committee in April, will be discussed again this year.

Reports were presented on three 1985-86 accreditation visits. The committee discussed recommendations and commendations in the first part of the joint, on-site review of the National Accreditation Council/North Central Association of Colleges, which was distributed to them in April. Members provided suggestions on responses to these reviews and approved a request by the school to conduct an independent survey on the efficacy of residential schools for the sensory impaired.

The Iowa Braille and Sight Saving School Advisory Committee joined with the Iowa School for the Deaf Advisory Committee in sending a statement to the Board of Regents concerning the feasibility of consolidating the two special schools. At the April meeting after hearing a report on the decision of the board not to consolidate, the committee discussed ways to improve the efficiency of the school as well as to obtain recognition for its efforts.

The committee membership recommended for 1986-87 is as follows:

From the University of Iowa: Kenneth Moll (term 1985-87)
Teresa Sagen (term 1986-88)

From Iowa State University: Virgil Lagomarcino (term 1985-87)
Elizabeth Ann Thompson (term 1986-88)

From University of Northern Iowa: Susan Hamre-Nietupski (term 1986-88)
Marion R. Thompson (term 1985-87)

Consultant: To be filled with consent of the president

Ex-Officio: Richard DeMott, Superintendent
Robert Barak, Board Office

Regent Anderson asked if the board might make better use of the advisory committees. She suggested the board may want to meet with the committee chairs in the future to discuss ways of working closer together. The other board members agreed.

Director Barak stated the committees would be willing to do that.

Mr. Richey stated that Dean Lagomarcino has been proposed to chair the search committee for the superintendent of the Iowa School for the Deaf. He added that both committees were very conscientious groups.

ACTION: President McDonald stated the recommended actions were approved by general consent of the board.

AD HOC LIBRARY COMMITTEE ON PLANNING AND COORDINATION. The Board Office recommended receipt of the report on the implementation of the recommendations contained in the Ad Hoc Library Committee on Planning and Coordination Report dated August 25, 1983.

In April 1982 the Board of Regents requested that the universities undertake a comprehensive study of the ways in which the three university libraries, including major library units within each university, could cooperate to reduce unnecessary duplication of purchases and to plan for more effective operations in the future. This request was based on the increasing costs of library operations and decreasing financial support from state and federal sources. In August of 1983 the committee completed its report to the Board. This report included four general areas:

- (1) Resource sharing
- (2) Computer utilization
- (3) Centralized library storage
- (4) Collection development

The Board subsequently asked that the committee prepare annual reports describing progress in the implementation of the recommendations in the four areas noted above and current efforts toward other forms of cooperation. The following is a summary of the progress on implementation of the recommendations in these four areas for the current year.

Resource Sharing. The report contained three recommendations for resource sharing: (1) Institution of a rush category for a interlibrary loan requests; (2) delivery of materials in this category by first class mail; and (3) permanent on-site borrowing by undergraduate students of the respective institutions upon proper identification. A one-year trial period for these recommendations was completed in 1985, and these policies have now been

extended indefinitely. The three recommendations all seemed to be working well.

Two further suggestions in the original report for longer-range consideration involved automatic requesting of materials for interlibrary lending once on-line access became possible among the three institutions and the monitoring of telefacsimile communication as a possibility for transmitting journal articles. The former continues to be discussed as progress is made on further computerization of the libraries on each campus. The latter suggestion still holds promise although its costs remain high, and several problems in this method of communication need to be solved before regular adoption is viable.

Computer Utilization. Each of the libraries is moving forward as quickly as time and funds will permit in applying computer applications to library processes. Studies are continuing at each of the university campuses, and the results have been or will be shared with the other institutions.

Centralized Library Storage. The libraries continue to study their collective and individual storage requirements, reviewing these both in terms of near-term methods of meeting space needs and potential longer-term options for remote storage. The Regent libraries each face future storage problems for their collections which without additional external storage solutions will make necessary conversion of reader seating into collection space, substitution of compact shelving for standard shelving where locally possible, and other means. Two major alternatives continue to be studied. One option would be a centralized storage facility to be located equidistant from each library; the second would be individual on-site facilities to be constructed at each institution as need requires. Either alternative would require special funding, environmental controls, security, and use of compact shelving structures. At this time, the committee appears to favor on-site facilities due to the additional costs of operating a central storage facility.

Cooperative Collection Development. The universities report that the areas of coordination and cooperation have been growing due to the decreasing purchasing power of the three Regent libraries. These cooperative efforts include the sharing of duplicate materials, the notifications of intent to purchase expensive collections, the sharing of orders for new series and serials, cooperation in the deselection of serials, cooperative efforts in preservation of library collections, and the sharing of collection information and binding agreements.

President McDonald recognized Warren Kuhn, Chair of the Interinstitutional Library Committee.

Dr. Kuhn stated the report indicated substantive advances being made particularly in the area of collection development. He said it was

increasingly important the three university libraries coordinate their efforts in these austere times. He said there at least 400 serial titles that were being cut by the University of Iowa. In addition, they were cancelling approximately 1,000 journals due to the cost. He said the situation was serious, and they feared more reductions would be forthcoming. He said the acquisition of books had dropped from 34,000 in 1985-86 to 29,000 in 1986-87 and an expected number in 1987-88 of 25,000 which was the level of acquisition in 1967-68. He noted they purchased about one-third of the research material from foreign countries where they must contend with the devaluation of the dollar.

Dr. Kuhn said the three library directors would start meeting jointly after the new directors at the University of Northern Iowa and the University of Iowa have had an opportunity to become familiar with their positions.

President McDonald stated the board had asked the committee to look into the possibility of a centralized storage facility.

Dr. Kuhn said no progress had been made with the exception that the committee had discussed the possibility. He said that each institution was varied in its space needs, and they would all face space problems in the next five to eight years. He said that Iowa State University was utilizing on-campus storage facilities which allowed them the opportunity to use their own personnel and save on transportation costs. He noted a centralized storage facility would require a transportation and delivery system as well as a full-time driver in addition to personnel at the site to locate the material. An integrated records system would also be necessary. These costs would be in addition to the cost of construction of a facility. He said it was the consensus of the committee that they would be better off with a on-site facility rather than a centralized facility.

President McDonald stated, after the two new library directors had an opportunity to meet on an interinstitutional basis, the board would like to have the committee give serious consideration to a centralized facility.

Dr. Kuhn stated he would bring it up to the new directors and would do a serious cost study.

ACTION: President McDonald stated the report was received by general consent of the board.

Dr. Kuhn stated the libraries appreciated the support of the board.

Dr. Harris asked if it would be possible for Regent libraries to purchase one or two volumes of certain periodicals in the event of a single storage location.

Dr. Kuhn stated that could be done, but it would have to be titles of lesser need on the campuses. He said they currently exchanged about 35,000 pages of photocopied material between the institutions.

PRELIMINARY REPORT - FISCAL YEAR 1988 ASKINGS - OPERATING BUDGETS. The Board Office recommended the board receive a report from each president and superintendent.

President McDonald recognized President Curris, Chairman of the Interinstitutional Budget Committee.

President Curris stated it was his responsibility to chair an informal gathering of institutional representatives and Board Office staff to discuss budget issues. He said each institution should have the privilege of asking the Board of Regents for whatever it determines appropriate from the standpoint of the needs of the institution. He said they recognized the responsibility of the Board Office to formulate recommendations to go the board. He said the presentations will cover four areas--salaries, operating budgets, improving educational quality requests, and capital needs.

This year's budget preparation process has been modified in some respects by the provisions of Senate File 2175, the state government reorganization bill approved last spring. Senate File 2175 requires the preparation of annual requests, in contrast to the biennial budget requests submitted in previous years. The reorganization bill also requires that the appropriation request be built from a 75 percent base budget. This means that the base budget for Fiscal Year 1988 will include only 75 percent of the appropriation level for the current year with the remainder of the request to be submitted as prioritized decision packages. In previous years, base budgets have included 90 percent of the prior year budget.

DISCUSSION OF SALARY NEEDS

President Freedman stated in their interinstitutional budget discussions President Eaton had suggested the 11-state area which had been used for salary comparison did not provide for valid and appropriate comparisons of faculty salaries. In light of President Eaton's suggestion, the University of Iowa developed the following criteria to be used to select comparison institutions:

1. Is the primary public institution in the state (where two institutions existed, the non-land-grant institution was used)
2. Is a major research university as demonstrated by membership in the Association of American Universities (AAU)

3. Exhibits a diversity of graduate programs and overall graduate enrollments that are generally comparable to the University of Iowa
4. Awards more than 200 doctoral degrees per year
5. Offers programs in at least two of the professional areas of medicine, law and dentistry
6. Is an institution to which the University of Iowa loses faculty and with which the university competes in attracting new faculty

The review of institutions resulted in the selection of the following group of ten universities which best met the criteria:

University of Arizona
University of California at Los Angeles
University of Illinois
Indiana University
University of Michigan
University of Minnesota
University of North Carolina (Chapel Hill)
Ohio State University
University of Texas (Austin)
University of Wisconsin (Madison)

President Freedman stated they omitted some institutions to which the university had lost faculty because the established criteria was not met. Cornell University and the University of Chicago were omitted because they were private. They omitted the University of Virginia where four faculty members had gone because it did not have the scope of graduate programs. The following table outlines the 1985-86 average faculty salaries for ten comparison institutions and the University of Iowa.

<u>University</u>	<u>Average Salary-All Ranks</u>
UCLA	\$48,533
Michigan	44,236
Illinois	42,657
North Carolina	42,214
Ohio State	42,337
Minnesota	40,260
Wisconsin	39,688
Arizona	39,374
Texas	39,183*
Indiana	37,557
IOWA	36,896
Mean	41,504**

University of Iowa Percent Behind:

First Place	31.54%
Second Place	19.89%
Third Place	15.61%
Mean	12.49%

* Excludes supplements from endowment funds

** UI salaries excluded from mean

Data on individual faculty ranks indicated the University of Iowa was at the bottom of the rank of professor and was ninth IN the other two ranks.

President Freedman explained, because many professional and scientific staff were recruited in competition with the same institutions with which they compete for faculty, the comparative salary relationships were similar to those cited for faculty. He added in fields such as engineering and computer science, the university recruited directly with private industry. The need to comply with the state's comparable worth statute also complicates the salary competition for professional and scientific staff. He said the university continued to lag behind comparable institutions in salaries for the professional and scientific staff. He noted it was especially disturbing when the same comparison was made three years ago, the university was 5.5 percent behind rather than the current 11.7 percent.

President Freedman stated they were not going to present precise recommendations on how to move from these positions until next month. He

noted the faculty affected not only the quality of the university but that of the entire state. He stated the faculty had \$88 million in outside grants last year and over \$1 billion in grants over the last 20 years. He said the large value of the grants was due to the intellectual distinction and quality of the faculty. He said the faculty had reacted with remarkable devotion in the last few years and were teaching above and beyond the desired limits. He added the faculty was buoyed up by the recommendation of the board to recommend a 10.5 percent salary increase last year.

Regent Duchen asked why was the instructor category left out of the comparison of faculty salaries by rank.

President Freedman stated they had only 14 instructors out of a faculty of 1,500.

President Eaton stated out of a 1,364 faculty, they had 164 instructors. He said they did not include the instructor category because there were no instructors at comparable institutions.

Regent Duchen asked why the University of Virginia did not meet the criteria as a comparison institution.

President Freedman stated it was a much smaller institution. He added he wished it had met the criteria because the University of Virginia's salaries were very high.

Regent Duchen asked if the salaries were nine-month or twelve-month.

President Freedman said all the salaries listed by the universities were nine-month salaries.

Regent Duchen asked where Iowa stood in the new comparison group ten years ago.

President Freedman stated he did not know.

Regent Anderson indicated that would be interesting to see those comparison figures.

President Freedman stated the information would be made available to the board.

President Eaton said ten years ago the Iowa universities were probably in about average position.

Regent Harris asked which of the comparison institutions had veterinary schools.

President Freedman stated that Iowa State University would be presenting a slightly different comparison group.

Mr. Richey asked how twelve-month salary were treated in the comparisons.

President Eaton stated all the salaries were adjusted using an average monthly salary to a nine-month salary.

Regent Duchen stated at one time there was a publication of faculty salaries.

President Eaton stated the Chronicle of Higher Education published such a study.

President Eaton stated Iowa State University had reviewed a number of comparable groupings of institutions. The institutions with which Iowa State was both competing to hire faculty members and losing staff members was not the historical eleven-state area group. In a proposed revised list of institutions, factors they considered to be relevant were (1) the public land grant institution in the state; (2) in all but three cases being members of the Association of American Universities (AAU); (3) having a comparable enrollment mix; (4) offering doctoral degrees; (5) in all but one case having a professional veterinary medicine college; and (6) being institutions where Iowa State University was losing faculty and with whom it competes for hiring.

The institutions selected as being comparable to Iowa State University are as follows:

- University of Arizona
- University of California at Davis
- University of Illinois
- Michigan State University
- University of Minnesota
- North Carolina State University
- Ohio State University
- Purdue University
- Texas A & M
- University of Wisconsin

The following table outlines the 1985-86 average faculty salaries for comparable land grant universities.

<u>University</u>	<u>Average Salary-All Ranks</u>
California-Davis	\$42,800
Illinois	42,500
Ohio State	40,400
Minnesota	39,900
Wisconsin	39,000
Arizona	37,900
Purdue	37,400
Michigan State	36,400
North Carolina State	36,300
Texas A & M	34,100
IOWA STATE	32,300
Mean	38,670

ISL Percent Behind:

First Place	32.51%
Second Place	31.58%
Third Place	25.08%
Mean	19.72%

In comparing Iowa State University faculty salaries by rank, the university was in last place in each of the ranks.

President Eaton stated a comparison of professional and scientific salaries in comparable institutions indicated a declining salary trend for Iowa State University positions relative to the universities in the survey. The number of Iowa State University positions with average salaries below the all-university average increased from 19 in 1985 to 34 in 1986. He noted Iowa State University continued to have problems in attracting and keeping scientific personnel (engineers, metallurgists, computer scientists) and was experiencing significant turnover in these positions. They were consistently being turned down by the top-rated recruits on the basis of noncompetitive salary offers. He noted the alternative employer for particularly the computer and engineering personnel was private industry rather than other educational institutions. He said on the average Iowa State University was 11.3 percent behind in professional and scientific salaries.

Regent Duchon stated the problem was in the catch-up. He said to keep in mind in the real world that when the board was in a position to raise

salaries so were the comparison institutions. He said there was old Navy expression which was appropriate, "A stern chase was a long chase."

Regent Anderson stated it was true they lived in the real world. She added she lived in a community where 100 John Deere professional employees were let go and were probably in these salary ranges. She said the universities when compared salaries they had to be realistic about the kind of argument and debate they were going to face.

President Eaton stated there was other data which should be used. He said to look at work force employment data with people with comparable education and comparable professional responsibilities and at work for comparable lengths of time, and it would be seen that the American university faculty were behind the eight ball. He said they were far behind. He said there had been a massive loss of faculty in just the engineering and business areas to private industry.

Regent Anderson stated another thing was the nine-month salaries.

President Eaton said for many faculty members that was the only salary they had.

Regent Anderson stated that was true but not for everyone. She said they had to realize the people in the state were not going to be in total agreement that faculty salaries were so dangerously low.

President Eaton stated he had dined recently with a group of legislators who said the same thing. He said there were a number of things the Regent institutions could do to help themselves. One thing was to get the size of the student bodies down. He said the problem was that the income relative to the teaching load was out of balance. He said it was important for Iowans to realize that money brought returns to the state. He added it was important for the state to realize that its future was tied to education and that it would end up getting what it paid for. He noted one of the problems they were facing was that they were turning out students who would go off and receive higher salaries than the young faculty.

President McDonald stated he found the total numbers of faculty interesting in the comparable institutions. The number of students per faculty number was substantially different in some instances.

Executive Vice President McCandless stated there were some peculiarities in the institutions listed. He said he would guess at the University of Minnesota, there were a lot of part-time students which would be true with any metropolitan university. He said nearly every student at Texas A & M was full-time.

Regent VanGilst asked if there were figures available on the number of faculty going into private industry.

President Eaton said out of 61 leaving, 31 went to other universities. He said sometimes the attraction in private industry was the salary but sometimes it was the element of working in a first-class laboratory.

Regent VanGilst stated the board had to work hard for a salary increase, and he felt the universities needed to get the alumni involved.

President Eaton stated Regent VanGilst's point was very good and noted that perhaps the universities had failed to make convincing arguments to the public.

Regent Harris asked how much of a tuition increase would be required to raise the salaries 17 percent.

Vice President Madden stated a \$1 million increase in tuition would provide approximately a one percent increase in faculty salaries.

Regent Anderson stated she must reiterate what she had said previously that the board and the universities had to convey the tremendous benefit of the universities to the state.

Regent Duchen stated he had recently heard a speaker from the banking industry say the number one asset a state had to have was top-notch higher education.

President Curris stated, since the faculty at the University of Northern Iowa had elected to engage in collective bargaining, he would restrict his comments to the professional and scientific salary situation. He noted, too, that the service and clerical personnel had chosen statewide collective bargaining and their salary increases were determined at the bargaining table and were the same at each institution.

President Curris noted President Freedman had said the University of Iowa professional and scientific salaries were 11.7 percent below counterparts at other comparable universities, and President Eaton had said Iowa State University was behind 11.3 percent. He stated the sampling of professional and scientific salaries at the University of Northern Iowa indicated they were 19 to 21 percent below sister institutions of Iowa State University and the University of Iowa. He said that was a serious problem and hoped it could be addressed this year. He said it was distressing to lose people to other states, but it was demoralizing to lose people to another institution in the same state to do the same job.

Regent Harris asked President Curris what the board should do to raise the money, the sums which seems to be impossible.

President Curris stated the problems on salaries were of such magnitude that if only across-the-board increases were given, the magnitude just gets large. He said they had to have a two or three-year plan and asked the General Assembly to provide assistance. He said they could not turn to the students for it all.

President Freedman introduced Jerald Schnorr, Chairman of the Faculty Senate Budget Committee; Michael Brody, President, Faculty Senate; and Pat Piper, President of the University Staff Council.

Dr. Schnorr thanked the board for the \$2 million add-on in salaries last year. He said the faculty saw the board as both a friend and an advocate but despite its good effort the faculty had fallen further behind. He said morale was not good although no mass exodus had occurred. He added it was the best professors who had the opportunities to leave the university. He said they would have to retrench, regroup, and make a new agenda. He noted the lottery had helped them to think big, and they had done intensive recruiting for endowed positions. He said it had recently been published that Iowa City was the nation's most educated city. He asked why couldn't Iowa be the most educated state and why couldn't the Regent system be the best public higher education system? He said there was a distinct correlation between faculty salaries and quality. He said if they ranked last in salaries, they would rank last in prestige. He said the time was right for major new initiatives at the university, and the universities were a surprising resource and could be much more. He said they can help with economic development. He said they needed the board's strong support to increase revenue particularly with respect to faculty salaries.

Dr. Brody thanked the board for the opportunity to present comments about the critical need for enhancing faculty salaries. He said the status of faculty salaries at the University of Iowa in 1986 was disappointing and need not have to convince the board of that. He stated he wanted to emphasize the seriousness with which they viewed their weak competitive position. He said their vitality and academic excellence were in potential jeopardy. He noted the competition among universities nationwide was extremely tough. He said the universities they had chosen to compare for salary purpose were not the only ones that they must deal with. Many smaller and less prominent universities were making significant efforts to enhance their reputations in targeted areas. He assured the faculty was a committed group of academicians who had unusually strong loyalty to the institution; however, the cumulative effect of low salary and concern about future support make them easy targets for the university's competitors. He noted the problems were enhanced by the small size of the cities in which the institutions were located. He said that increasingly the recruitment of a faculty member involved the recruitment of a professional spouse who requires employment in the community. He emphasize the fact that salary increases at the university had historically been made possible in part by eating away at general expense

accounts, budgets for repair and renovation and other categories central to the operation of the university which should not continue.

Ms. Piper stated the University Staff Council understood the prevailing budgetary constraints but did have concerns. The council is concerned about the funding for salaries and fringe benefits for all non-organized staff. She said year in a similar presentation, the members of the staff were called the "cornerstones" of the university. She said that was still a valid analogy but circumstances were eroding that validity. For example, in the health professional area, staff were encouraged to continue their education. In fact, continuing education was necessary for licensure, reaccreditation, and, of course, advancement. Yet, there were few funds available to support such efforts, and the staff must increasingly bear the costs. In the area of salaries, research professionals who had been trained in faculty laboratories were hired away by employers able to pay up to twice the salary the university could offer. She noted to further exacerbate this difficult situation, the university is currently experiencing large enrollments. She said, however, she did not wish to be entirely negative. She said the problems did have solutions; and although many good staff had left and the remaining were pushed to increasing limits, the staff was still committed to excellence.

President Eaton introduced Terry Pickett, Chair of the Faculty Council, and Karen Tow, Chair of the Professional and Scientific Council.

Dr. Pickett stated he would be brief and direct in his remarks. He said the faculty at Iowa State University was underpaid. He said this was the first time the board had heard that statement but he hoped for the faculty's welfare, it would be the last. He said they were underpaid in real terms, comparative terms, and in human terms. He noted in a recent survey of over 1,000 faculty members conducted by the Faculty Council, 53 percent said that dissatisfaction with their salary was a factor causing them to consider leaving Iowa State University. The Faculty Salary Survey clearly indicated in terms of an average salary (nine-month appointment), the purchasing power of a faculty member at Iowa State University continued to decline. While wages and salaries of non-agricultural employees stayed slightly ahead of increases in the Consumer Price Index in the 1969-70 to 1985-86 period, national average faculty salaries lagged far behind the CPI; and Iowa State University average faculty salaries lagged behind national average faculty salary. The purchasing power of the Iowa State University faculty had declined from the 1969-1970 level. For example, measured in terms of purchasing power of the U.S. dollar in Fiscal Year 1969-70, full professors were earning 78.3 percent of what they were in 1969-70.

Regent Harris stated the board shared the concern of the faculty. He asked if the survey took into consideration the cost of living in Ames and Iowa City as compared to cost of living in Los Angeles or Austin.

Dr. Pickett said the faculty worked with the national Consumer Price Index figures.

Regent Harris stated he would be willing to wager it would cost \$4,000 more per year to live in Los Angeles.

Regent Duchen stated the point was well understood; however, the universities were losing people to other universities not on the comparison list.

Executive Vice President McCandless stated his expectations about the lower cost of housing did not last long when he began looking for a home in Ames.

Regent Harris stated his question did not detract at all from his feeling about the salary situation.

President Eaton stated he would fully expect to lose faculty to Cornell University, and the cost of living in Ithaca is no more expensive than in Ames.

Ms. Tow stated the Professional and Scientific Council appreciated the long history of support by the board. She said the council represented 1,340 professional and scientific employees who were some of the best and brightest employees of the university. She indicated they had recently lost of a number of staff members to other states. She said they need higher salaries to attract and retain quality staff. She added that there was more to job satisfaction than just salary. She said things like professional development and rewards for good performance were also necessary, and these things, too, required funding.

President Curris introduced Philip Patton, Associate Registrar.

Mr. Patton stated the professional and scientific staff at the University of Northern Iowa had been experiencing discrimination--not racial, sexual or religious--but in the salary differential which existed between the professional and scientific staffs of the three Regent universities. He noted that the discrimination had existed for years. He said that on the average the University of Northern Iowa's professional and scientific salaries were 76 percent of the salaries at the two sister universities. For example, the Associate Director of Financial Aid was 25 to 30 percent lower than the peer group; the Acquisition Librarian, 37 to 42 percent lower; and the Director of Counseling 24 to 31 percent lower. He said the university sought the auspices of the board to rectify this anomaly. He said the staff size of the University of Northern Iowa was compared to the enrollment, the ratio was very similar as that at the other two universities. He noted, too, that oftentimes the university professional and scientific staff covered a broader of duties than their peers.

Superintendent Giangreco stated the situation at the Iowa School for the Deaf was different than at the universities or the Iowa Braille and Sight School. He said they had been in a downsizing mode for three or four years. He said they would be losing even more staff this year, but hopefully it could be done through attrition. He noted other residential schools were very similar. He noted there was no shortage of teacher of the deaf. He added their teachers had to have better credentials than public school teachers. He said they use a nine-state comparison of similar residential schools. He said the Iowa School for the Deaf faculty ranks in sixth place as well as below the average. He said they also compare salaries to the local public schools, and the Iowa School for the Deaf ranks next to the last as well as below the average. Salaries of teachers in the AEA XIII rank last.

Regent Anderson stated she was surprised at the salary levels of the AEA.

Superintendent Giangreco introduced Steve Slater, President of the Faculty Senate.

Mr. Slater thanked the board for opportunity to come before and present the faculty's salary proposal. He said that Iowa had been a leader in education in the country, and the Iowa School for the Deaf had been a traditional model as well as resource center for deaf education throughout the nation. He noted Iowa's claim to being number one in education was eroding. He provided the following salary comparisons.

Salaries for Midwestern Schools for the Deaf 1986-87

	<u>BA/BS</u>	<u>MA/MS</u>
Average Salary	\$15,425	\$18,232
ISD	15,000	17,000

Salaries for Local Public Schools

	<u>BA/BS</u>	<u>MA/MS</u>	<u>MA+5 years</u>	<u>MA+10 years</u>	<u>MA+15 years</u>
Average Salary	\$15,508	\$17,819	\$20,555	\$24,240	\$27,750
ISD	15,000	17,000	19,950	22,850	25,900

Mr. Slater, on behalf of the Faculty Senate, made the following proposals:

1. The base salary be raised to \$17,500.
2. More steps be added on the vertical scale on the BA/MA for years of experience.

3. The salary schedule be restructured to provide for greater percentage increases to faculty as their experience increases.
4. Compensation for unused sick leave when an individual's contract is not renewed.

Superintendent DeMott stated, as was mentioned by Superintendent Giangreco, the circumstances at the two schools did vary slightly. The two schools do share a common salary schedule. He said the comparison states were the same. In the local area, he noted the school was slightly above the Vinton Community Schools starting salary of \$14,850 and slightly below that of Cedar Rapids Public School starting salary of \$15,200. He said a primary concern was retaining senior faculty and assuring salaries stay commensurate with the surrounding schools. He said the salary increases over the past few years have kept the scale commensurate with the surrounding schools. He said the action of the board had been positive and appreciated. He said they see a real problem in faculty recruitment. He noted most faculty had to be recruited outside the borders of Iowa. Therefore, the recruitment base was national and also the competitive base was national. He said he looked at the states contiguous to Iowa, and the Iowa Braille salary scale was less than four of those six states. He said in the area of visual impairment, there were more openings than there were individuals to fill the positions. He said it was highly unlikely that they would be able to recruit an experience faculty member. He noted the number of applicants was declining each year. He said they may begin to see a shift from quality to mere survival.

Regent VanGilst congratulated the Iowa Braille and Sight Saving School for the accreditation it has just received. He said he had always been impressed with the two special schools. He asked if the accreditation helped in faculty recruiting.

Superintendent DeMott said it did help because they do recruit from other states.

Regent VanGilst asked if there were other accredited schools in other states.

Superintendent DeMott said yes there were others.

President McDonald asked Superintendent DeMott if he had a written proposal by the faculty.

Superintendent DeMott said no he did not have a written proposal.

DISCUSSION OF OPERATING NEEDS

Director True stated over the last two or three months, the business officers had been meeting to discuss the operating budgets.

Supplies and Services: Through interinstitutional agreement a recommended inflation increase of eight percent was being proposed for supplies and services.

Equipment: Institutional requests for equipment needs specified the categories of equipment to be obtained. Estimates of equipment needs of the five institutions are shown below. Specific recommendations will be provided to the board in October.

University of Iowa	\$9,679,000
Iowa State University	4,495,000
University of Northern Iowa	967,000
Iowa School for the Deaf	126,000
Iowa Braille and Sight Saving School	<u>18,000</u>
Total Regent Institutions	\$15,285,000

Fuel and Utilities. The operating budgets being considered for Fiscal Year 1988 include a change to a "utilities" category which would include all costs of providing electricity, steam, water, chilled water, sewer service, fire protection, and refuse disposal.

Opening New Buildings: The universities' requests for Fiscal Year 1988 for opening new buildings include some of the unfunded costs for buildings occupied in Fiscal Year 1986 and Fiscal Year 1987 as well as the projected costs of buildings to be opened in the future. A tabulation of the total costs is shown below:

University of Iowa	\$ 361,000
Iowa State University	1,086,000
University of Northern Iowa	<u>413,000</u>
Total Regent Universities	\$1,860,000

Library Books: The effects of inflation on the costs of library materials tend to be greater than in other areas. A request prepared by the Interinstitutional Library Committee cited an overall cost increase for 1985-86 of 15 percent. Comparable increases are expected by the committee in Fiscal Years 1987 and 1988. The universities each recommended an increase of 18 percent in this category.

Building Repairs: Since 1977 building repair needs for each of the institutions had been calculated with a formula using the concept of "life of building." However, the need calculated using the formula has not been fully funded. For the Fiscal Year 1988 request, the institutions collectively recommended the use of the formula to determine the total amount of each institution's request with the added identification of specific areas of need. The following table shows the total dollar costs:

University of Iowa	\$5,039,000
Iowa State University	3,323,000
University of Northern Iowa	1,087,000
Iowa School for the Deaf	166,000
Iowa Braille and Sight Saving School	<u>95,000</u>
Total Regent Institutions	\$9,710,000

Institutional Income: With the exception of the University Hospitals and other health related units, no changes are presently budgeted in institutional income for Fiscal Year 1988. Iowa State University noted the likelihood of additional losses in federal funds and the impact of these losses on the programs of the Agricultural Experiment Station and the Cooperative Extension Service.

Tuition Replacement Appropriations: It is anticipated that \$17.4 million appropriation would be adequate to cover the tuition replacement needs for Fiscal Year 1988. This is possible only as a result of the advanced refundings of Academic Building Revenue Bonds.

DISCUSSION ON IMPROVING EDUCATIONAL QUALITY NEEDS

A continuing priority for the Regent institutions is the maintenance and improvement of educational quality. The institutional requests represented each institution's view of its most compelling needs. Through interinstitutional discussion it was agreed that the total amount of these requests should be no more than five percent of the Fiscal Year 1987 operating budget for each institution.

A joint request for library automation was presented as a priority above the five percent limitation.

Superintendent DeMott stated the improving educational quality requests from the Iowa Braille and Sight Saving School pertained most directly to those positions where they had experienced reductions in staff in the budgetary and downsizing process. He said the need for these positions was critical. He requested restoration of the positions of Librarian, Audio/Visual Specialist, and Orientation/Mobility Instructor. The approximate cost of these positions would be \$74,000.

Regent Anderson asked how long the positions had been vacant.

Superintendent DeMott stated one had been vacant since mid-year; one was vacated in the spring; and the orientation/mobility instructor had been vacant for one year.

Superintendent Giangreco stated the Iowa School for the Deaf had requested no funds in the improving educational quality category due to the downsizing. He said the emphasis in the coming year was going to be on language development which was a very weak area for the deaf. He said there were specialists scheduled to come in which would be funded through Title I funds.

President Curris stated the University of Northern Iowa had six improving educational quality requests in addition to the joint request for library automation. They are described as follows:

Instructional support to relieve enrollment pressures	\$1,400,000
This would support 45 faculty positions although the university shortage is about double that number.	

Equity Funding Adjustment	\$1,000,000
The university's tuition income is almost entirely from resident students who pay considerably less than non-residents. Because of this fact, state reversions have impacted the university's budget more severely than the other institutions.	

Bachelor of Science in Nursing Degree Program	\$150,000
The country is facing the demise of hospital schools of nursing. This would finance a cooperative arrangement with the Allen Hospital School of Nursing where the fourth year of the BSN program would be provided at the University of Northern Iowa.	

Minority Teacher Education Program	\$200,000
------------------------------------	-----------

Expansion of Small Business Development Center	\$100,000
--	-----------

Curricular and Instructional Development Program for Small High Schools Project	\$100,000
--	-----------

Library Automation	\$392,000
--------------------	-----------

Total Improving Educational Quality Requests University of Northern Iowa	\$3,342,000
---	-------------

Regent Harris asked how much money Allen Hospital lost by virtue of the loss of capitation grants.

Jane Hasek, Vice President for Educational Services, Allen Memorial Hospital, said she did not have the figures at hand but would make them available to the board.

Regent Harris asked Ms. Hasek if the hospital still had capitation grants would it be asking for the university to take over the nursing program.

Ms. Hasek said the need for the BSN would be there with or without the capitation grants.

Regent Harris asked what the cost of the program would be.

President Curris stated the university's request was \$150,000 for the fourth year with the assumption of the continuation of the Allen School of Nursing. He said if the Allen School should happen to collapse, the best estimate for a BSN program at the university would be \$850,000 to provide the total program. He said the Allen Hospital has expressed a very strong commitment to continuing the school of nursing. He said the hospital's wish to continue with its three-year program was predicated on the continued availability of federal funds. He said if those funds should be eliminated, the only choice would be to raise the rates to hospital patients. He said the university provided some of the basic science and related courses that were integrated into the three-year program. Those students that wish to pursue a fourth year would receive a Bachelor of General Studies degree. He said there were only one or two each year that go on to the fourth year.

Regent Anderson asked how many of the students who were currently enrolled in the three-year program would go on to get a BSN.

Ms. Hasek stated that Allen Hospital School of Nursing graduated 40 to 50 students each year. She added that the total pool of nurses already working who would be interested in the BSN was very large.

Regent Anderson asked if there were jobs for the graduates.

Ms. Hasek indicated that there were ample nursing jobs available.

President Curris stated the university's financial projections were based on accommodating 50 students per year.

Regent Harris stated, in terms of the market simply because of the change in emphasis from inpatient to home health care, he thought the market was going to expand greatly. He asked how much the nursing school added to the daily cost to the hospitalized patient.

Ms. Hasek indicated none of the cost of the school was paid by patient revenue. She said that tuition, federal money and other private sources covered the direct costs of the operation of the school.

Vice President Madden indicated Iowa State University had attempted to prioritize the needs of the institution relating to improving educational quality. He said he did anticipate some of the requests would be modified as the planning progressed.

Iowa State University's improving educational quality priorities are as follows:

Improving Instructional Program - \$1,833,000. Vice President Madden stated there continued to be a great need to improve instructional staff. He said even if enrollments were brought down, there was still a need for additional staffing to accommodate programs throughout the university. He said there had been a substantial growth over the last decade which had not been adequately funded.

Maintenance of College of Veterinary Medicine Program - Lost Contract Funds -\$630,000. Vice President Madden stated the State of Nebraska was in the process of phasing out the contract program which had historically supported 20 students in each class. The State of Nebraska paid approximately \$14,000 for each student. Each Nebraska student also paid tuition at resident rates. He said the loss would present a major budgetary problem for the College of Veterinary Medicine.

Presidential Fund for Excellence - \$1,300,000. Vice President Madden stated there was a feeling that there was a need to give the president some flexibility to respond to needs at the university. He indicated this fund would provide that flexibility to programmatic changes and keep the staff necessary to carry on the programs.

University Research Park Development - \$2,500,000. Vice President Madden indicated the university was moving forward with the research park complex. He said there would be a need for upfront funds to start those programs. He said the funds would be used to develop the park so that the university could continue to play a major role in economic development in the state. He said the university foundation had also made a commitment and was in the process of acquiring land to complete the project. He said in all probability all of the sources of funding currently available were not going to be sufficient.

Vice President Madden stated the following improving educational quality requests were not new in the sense the university had talked with the board about them in the past.

Computation Center Support - \$1,000,000
Microelectronics Materials Research - \$300,000
Satellite Downlinking - \$500,000
Health and Safety - Asbestos Removal, Hazardous Waste - \$200,000
Expanded Student Aid - \$100,000
Agricultural Products Assistance Programs - \$100,000
Child Care Support - \$100,000
Campus-wide Information System - \$100,000
Library Automation - \$705,000

Vice President Madden outlined the improving educational quality requests in the Agricultural and Home Economics Experiment Station as follows:

Continued Development of Crops Processing Research Center - \$40,000
Restoration of Graduate Student Research Base - \$650,000
Meat Export Technology and Policy Center - \$500,000
Center for Agricultural and Rural Development - \$500,000

Vice President Madden also outlined the improving educational quality requests in the Cooperative Extension Service as follows:

Revitalizing the Agriculture and Economic Base of Rural Iowa - \$925,000
Avoidance of Further Staff Reductions - \$740,000

The total of improving educational quality requests at Iowa State University was \$12,723,000.

President Freedman presented the improving educational quality requests for the University of Iowa.

Maintaining the Quality of Basic Health Science and Medical Education - \$3,000,000. President Freedman stated health science was one of the important overall curriculums of the University of Iowa. He said there were a large number of undergraduate as well as professional students. The faculty in the health sciences brought in \$50 million in outside support last year. He explained the request included resources to strengthen and stabilize the financial base of the College of Medicine.

Strengthening Undergraduate Education - \$2,000,000. President Freedman stated was need for specialized undergraduate programs in areas such as business, engineering, communication studies, and computer science. The request would include funds for additional faculty, support staff, and supplies and services in order to maintain and improve the quality of undergraduate programs in liberal arts, business administration,

engineering, communication studies, foreign languages, computer science, and other basic areas.

Computing Support for Instruction and Research - \$2,000,000. President Freedman stated computers continue to play an increasing role in both teaching and in research programs.

High Technology Resources for Economic Development - \$2,000,000. President Freedman stated this was a bare bones request for equipment in order to be competitive for grant funds.

Strengthening Library Resources and Services - \$600,000. President Freedman stated the university library was 26th in the nation in size of holdings and 50th in size of staff. He said the services of the library were hurt by an inadequate staff.

President Freedman stated they had also requested \$707,000 for library automation.

The university also requested \$57,000 for a health effects monitoring program in the University Hygienic Laboratory.

Total improving educational quality requests at the University of Iowa were \$10,364,000.

CAPITAL IMPROVEMENT NEEDS FOR FISCAL YEAR 1988 AN FISCAL YEAR 1989. The Board Office recommended the board receive the reports on capital needs from the Regent institutions.

In May, the General Assembly adopted and the Governor approved four concurrent resolutions authorizing Academic Building Revenue Bond financing of \$29.15 million for construction and equipment purchases. Bonding was authorized as shown below.

University of Iowa

Chemistry-Botany Remodeling	\$8.55 million
Biotechnology, Laser Science and Engineering Equipment	\$2 million

Iowa State University

Gilman Hall Remodeling--Phase II	\$5.4 million
Biotechnology and Microelectronics Equipment	\$2 million

University of Northern Iowa

Classroom/Office Building (Business)	\$10.2 million
Instructional, Research, and Computational Equipment	\$1 million

Vice President Ellis stated the University of Iowa was reviewing its capital requirements. Among the capital projects under review are the addition to the College of Engineering Building and a new Business Administration Building. Planning funds for both projects were recommended in the Regents' 1986-87 capital program. The University of Iowa was also considering the need for additional research facilities for studies in laser science. A number of remodeling projects are being considered including renovation of the old Law Center and upgrading the ventilation and air conditioning system of the College of Pharmacy Building.

Vice President Madden stated Iowa State University was a little further along in its capital planning than the University of Iowa. The university had identified tentative priorities and estimated costs. Capital projects identified by the university include the initial phase of the Home Economics Building Addition and facilities for animal research at the Veterinary Medicine Research Institute. A major project identified as a high priority by university is construction of a molecular biology research facility. Construction of the 240,000 square foot building would provide laboratory space to conduct interdisciplinary molecular biology research.

Iowa State University identified \$2 million to equip the new Agronomy Building. This request was included in the Regents' 1986-87 capital program but was not funded. Among the remodeling projects being considered by the university are the Food Crops Research Center in the Dairy Industry Building and Coover Hall for electrical engineering. For Fiscal Year 1988-89 Iowa State University anticipates requesting Gilman Hall Renovation, Phase III, and renovation of the Education Building for the industrial education and renovation of the Landscape Architecture Building.

Among the major utility needs identified by Iowa State University for the next two years are improving the electrical interconnection with the city of Ames and development of increased electrical capacity within the university's utility system. Improvements in water pollution control and water distribution systems are also identified by the university.

Vice President Conner thanked the board for its support of the bonding resolution for the classroom building. He said the university had been reviewing its capital needs. New construction of an additional floor of the library was identified as a need. The construction of a health, physical education and wellness building was also identified. Latham Hall and Wright Hall were identified as remodeling projects. He indicated Latham Hall would

be used for earth science and home economics, and Wright Hall would be used for math and computer science. Also several projects to correct fire and environmental safety deficiencies were identified. He said budget decreases in the past had greatly affected the repair and maintenance of buildings.

President McDonald stated he had recently toured the university boiler plants.

Vice President Conner stated he had intentionally left that off the list because there was a item on the capital register requesting approval to proceed with planning on that project. He said they were delaying making a final request on the boiler project until some planning had been completed.

Superintendent Giangreco indicated the Iowa School for the Deaf had no capital projects under consideration for Fiscal Year 1988 or Fiscal Year 1989.

The Board Office noted both special schools had been asked to carefully review utilization of all their buildings and prepare a plan for downsizing their campuses as directed by the board in April. Iowa School for the Deaf has prepared a preliminary report and will be discussing its plans further with the Board Office. A report will be provided to the board when a plan for downsizing the campus is finalized.

Superintendent DeMott stated among the capital projects being considered by the Iowa Braille and Sight Saving School is a project to replace the roof of the Main Building and to replace deteriorated and energy inefficient windows on the auditorium wing of that structure. In addition, the exterior doors on several other structures are requested to improve security and safety as well as energy conservation. The school is considering an energy management control system improvement project that will expand the present capabilities to conserve energy and control electrical consumption.

For Fiscal Year 1989, the institution is considering the roof replacement on the Service Building and a continuation of the campus utility systems improvements. This request is a continuation of a project that was undertaken this past year to correct deficiencies in the surface drainage and storm sewer system. The remaining utility improvements include the replacement of sanitary sewers steam and electrical lines around the Vinton campus.

Iowa Braille and Sight Saving School has been asked to develop a plan for downsizing the campus. No information concerning planning efforts has been received by the Board Office.

ACTION: President McDonald stated the reports of operating and capital needs were received by general consent of the board.

PRELIMINARY REPORT ON BOARD OFFICE BUDGET REQUEST FOR FISCAL YEAR 1988. The Board Office recommended the board receive the report.

The budget of the Board of Regents office for fiscal year 1987 amounted to \$789,766 after allowance for salary adjustment funds. It was financed by \$461,203 in state appropriations, \$324,195 in institutional reimbursements and \$4,368 in miscellaneous receipts and reimbursements. The staffing of the office is currently under intensive review to ascertain whether the vacant positions of minutes secretary and part-time accountant can be filled. These positions need to be filled as quickly as possible, and it is anticipated that funds can be allocated for this purpose for the remainder of the fiscal year. A revised detail budget will be presented to the board in October for Fiscal Year 1987 with the proposed budget for Fiscal Year 1988.

ACTION: President McDonald stated that board received the report of the Board Office budget request by general consent.

REPORT ON ALLOCATION OF LOTTERY FUNDS FOR FISCAL YEAR 1986. The Board Office recommended receipt of the report.

On July 29 the Department of Economic Development Board approved the distribution of \$4.37 million in Fiscal Year 1986 lottery research and development funds. The Board of Regents institutions are to receive \$4.25 million which will fund six projects. A list of the Regent projects funded, the amounts and the Regents' priority are shown in the table below.

FISCAL YEAR 1986 LOTTERY FUNDS

<u>Title</u>	<u>University</u>	<u>Regents Priority</u>	<u>Amount Requested</u>	<u>Amount Awarded</u>
Agriculture Biotechnology Faculty Endowment	ISU	1	\$ 500,000	\$ 500,000
Laser Science & Engineering Faculty Endowments	SUI	2	1,500,000	1,500,000
Biocatalysis Faculty Endowment	SUI	4	500,000	500,000
Institute of Hydraulic Research Faculty Endowment & Expenses	SUI	7	625,000	600,000
Manufacturing Productivity Center Endowment	SUI	13	700,000	650,000
Entrepreneurial Studies Faculty Endowment	UNI	15	500,000	500,000

The Fiscal Year 1987 lottery research and development requests of the Regent universities are to be brought to the board for consideration in September and October. Of the projected \$6.4 - \$10.6 million in Fiscal Year 1987 funds available, \$3.75 million was legislatively earmarked for agricultural biotechnology projects at Iowa State University. It was the earlier consensus of the board that an additional \$1 million be available for microelectronics at Iowa State University, if required to secure a major federal grant.

ACTION: President McDonald stated the report of the lottery fund allocation was received by general consent of the board.

DISTRIBUTION OF OIL OVERCHARGE FUNDS. The Board Office recommended approval of the recommended allocations of Exxon oil overcharge funds.

The state of Iowa received \$27.4 million as its share of a settlement with the Exxon Corporation resulting from past overcharges for petroleum products. The last session of the General Assembly approved Senate File 2305, which directed the allocation of the oil overcharge funds. Only \$12.75 million of the \$27.4 million in Iowa's overcharge funds have been appropriated. It is anticipated that a similar amount would be appropriated from the Exxon overcharge funds next year. Settlements of other oil overcharge cases are pending.

The act allocated \$1,500,000 to the Board of Regents for

"technical assistance studies to identify potential energy conservation opportunities within their buildings, funding of 50 percent match grants for the installation of cost-effective energy conservation measures identified in the studies and energy extension projects."

The Board Office reviewed each request and made recommendations based upon institutional priorities and the eligibility of projects. The eligibility of projects were principally determined through review by the Board Office and state energy officials responsible for managing the overall oil overcharge program. Each funded project must be eligible for one of five existing U.S. Department of Energy conservation programs and the legislative appropriation language. Generally, capital improvements are ineligible unless it is a significant demonstration project.

Upon approval by the board, the list of projects will be submitted to the Iowa Energy and Geological Resources Division for review. It is expected that the Regents' recommendations will be transmitted to the Federal Department of Energy later this month, along with the state's other oil overcharge projects. The state's overall program for expenditure of oil

overcharge funds must be approved by the Federal Department of Energy before any funds can be expended.

The Regent institutions identified proposals for the use of oil overcharge funds totaling \$5,063,056. Proposals for 29 projects were prepared by the institutions. The Board Office reviewed each of the proposals and consulted with state energy officials about the eligibility of each. The following table outlines the amount of the institutions requests and the Board Office recommendations:

<u>Institution</u>	<u>Oil Overcharge Requests</u>	<u>Recommendations</u>
University of Iowa	\$1,966,000	\$ 635,000
Iowa State University	\$2,744,366	\$ 720,000
University of Northern Iowa	\$ 280,190	\$ 145,000
Iowa School for the Deaf	\$ 0	
Iowa Braille and Sight Saving School	<u>\$ 47,500</u>	<u> </u>
	\$5,036,056	\$1,500,000

As a result of the Board Office review and input from Energy and Geological Resources staff, the Board Office recommended \$635,000 for three projects at the University of Iowa, \$720,000 for seven projects at Iowa State University, and \$145,000 for three projects at the University of Northern Iowa. None of the proposals prepared by Iowa Braille and Sight Saving School were eligible for funding under guidelines of the Federal Department of Energy for use of oil overcharge funds. The only two projects at the University of Iowa not recommended for funding were not considered fundable by state energy officials.

Among projects recommended is an educational program aimed at homeowners and builders regarding energy saving improvements and energy conscious design considerations. Also recommended are demonstration projects for capturing waste heat from boilers and incinerators.

Partial funding for the Iowa State University Cooperative Extension Service Satellite Telecommunications Network was recommended. The network eventually is to have satellite receivers in all counties of the state to receive "downlinking" or programs transmitted by satellite. Creation of the network is expected to improve educational programs and reduces the amount of travel by faculty necessary to teach extension and off-campus courses.

GENERAL
September 17-18, 1986

At the University of Northern Iowa proposals recommended for funding include the study of a wind generator by the Department of Industrial Technology, an energy study of the university utility generation and distribution system, and an energy consumption study of campus buildings.

Several of the projects not recommended for expenditure from the Regents' \$1.5 million in appropriations are expected to be submitted to the Energy and Geological Division for consideration under another oil overcharge funded program. The Board Office will work with the institutions in making any refinements to the proposals to ensure that the projects receive optimal consideration by the Energy Fund Disbursement Council established by the legislature to review these proposals.

The recommended projects for the 1986 Exxon Oil overcharge funds are shown on the following page.

GENERAL
September 17-18, 1986

Recommendations for 1986 Exxon Oil Overcharge Funds

<u>University of Iowa</u>	<u>Recommended</u>
1 Heat Recovery Demonstration Project--Bowen Science Building	\$325,000
2 Heat Recovery Demonstration Project--Oakdale Campus Waste Incinerator	\$210,000
3 Technical Assistance Proposal for the University of Iowa Energy Optimization Program	<u>\$100,000</u>
Subtotal	\$ 635,000
<u>Iowa State University</u>	<u>Recommended</u>
1 Energy Conservation and the Iowa Economy An Educational Program	\$195,000
2 Feasibility Study of the Use of Out-of-Condition Corn as a Boiler Feedstock	\$ 30,000
3 Iowa State University Heating Plant Control Optimization	\$110,000
4 Iowa State University--Utilities Heating Alternative Fuel Study	\$ 30,000
5 Energy Conservation from Integrating a Hydronic Radiant Panel Ceiling and a Residential Heat Pump	\$ 55,000
6 Iowa State Satellite Telecommunications Network	\$250,000
7 Energy Audits for ISU Agricultural Facilities	<u>\$ 50,000</u>
Subtotal	\$ 720,000
<u>University of Northern Iowa</u>	<u>Recommended</u>
1 Wind Generator Installation--Industrial Technology Department	\$ 12,000
2 Utility Generation and Distribution Feasibility Study	\$ 95,000
3 Energy Audit Update--Education Center, Physical Education and Exterior Lighting Systems	<u>\$ 38,000</u>
Subtotal	<u>\$ 145,000</u>
TOTAL	\$1,500,000

MOTION:

Dr. Harris moved that the board approve the recommended allocation of Exxon Oil overcharge funds. Mr. VanGilst seconded the motion, and it passed unanimously.

PROPOSED RULEMAKING CONCERNING IOWA BUSINESS PREFERENCE LEGISLATION. The Board Office made the following recommendations: (1) Receive report on the purchasing preference statute enacted during the last legislative session; and (2) Authorize the Executive Secretary, with the approval of the board president, to file a Notice of Intended Action setting the date for a public hearing on proposed administrative rules. Board consideration of the proposed rules and public comment would occur at a subsequent meeting.

During the last legislative session a bill was enacted which mandated preferences for Iowa products and for Iowa based businesses if the price was comparable to those of other bidders. This provision would apply to all of state government as well as political subdivisions of the state. It was added to Senate File 2049 which also requires a five percent price preference for American made vehicles. The language of the preference statute is as follows:

The state and its political subdivisions shall give preference to purchasing Iowa products and purchasing from Iowa based businesses if the bids submitted are comparable in price to those submitted by other bidders and meet the required specifications.

It was recommended that administrative rules be developed to guide each institution. Proposed rules should be developed interinstitutionally in consultation with other state purchasing authorities, the Department of Economic Development and the Attorney General's Office. Ultimately a hearing would be held to offer the board the benefit of public comment on proposed rules under consideration. Another useful outcome of comprehensively examining the application of this statute would be to prepare modifications or refinements for consideration as part of the board's 1987 legislative program.

No other state agency with purchasing authority has yet begun rulemaking proceedings with regard to the new preference law.

Until rules are adopted by the board, the Regent institutions could proceed on a case by case basis to apply the preference law. Vendors would continue to have the benefit of the board's appeal process in the Procedural Guide.

A definition of three terms is critical to applying the new preference law. Those terms are "comparable in price", "Iowa based businesses" and "Iowa products". The Regent institution business officers concur that "comparable

in price" should be the least troublesome to define. In the instance of the comparable dairy products bids at Iowa State University, the price difference is 0.2 percent or \$826. Much more evaluation needs to be done to properly define the other two terms for application to virtually any set of circumstances.

Whether the bidder is Iowa based and whether the bidder is offering Iowa products is not always straight forward. If a bidder is determined to be either Iowa based or is determined to be offering Iowa products, then they would be eligible for preference. Preference would be given to eligible firms whenever the bid price was comparable to the lowest bid and no other lower bidder meets the test of being Iowa based or supplying Iowa products. Although this procedure is straight forward in the abstract, it would undoubtedly complicate the day-to-day operations of the procurement process and result in more appeals. The proposed rules would describe this process in greater detail.

It is the objective of the Board Office and the Regent institutions to use the rulemaking process to develop a sound means of applying the preference law. The proposed rules would be expected to define the terms used in the statute and to state how each institution would process requests for preference. It would be expected that the definition of comparable price would be a percentage in excess of the low bid up to a selected dollar amount.

The definition of "Iowa based" in the proposed rules could take into consideration a variety of factors including the following: state of incorporation; location of home office; locations of manufacturing plants and distribution centers; number of employees based in Iowa; amount of property owned in Iowa; and amount of taxes paid to the State of Iowa or political subdivisions.

The definition of "Iowa products" could take into consideration a variety of factors including the following: sites of product manufacturer; source of raw materials; content of Iowa raw material and Iowa product subunits in the finished product; labor added in Iowa; and overall value added in Iowa.

The proposed rulemaking would take into consideration the financial and administrative burden imposed upon the Regent institutions and the maintenance of the integrity of the bidding process while conforming to the obvious intent of the statute. The Regent institutions cannot afford to significantly lessen competition and thereby raise prices for commodities purchased. Every effort would be made in drafting proposed rules to avoid that outcome.

MOTION:

Mr. Greig moved that the board (1) Receive report on the purchasing preference statute enacted during the last legislative session; and (2) Authorize the Executive Secretary, with the approval of the board president, to file a Notice of Intended Action setting the date for a public hearing on proposed administrative rules. Mr. Duchon seconded the motion, and it passed unanimously.

SEARCH FOR THE SUPERINTENDENT OF THE IOWA SCHOOL FOR THE DEAF. The Board Office made the following recommendations: (1) Approve the proposed membership of the Campus Search and Screening Committee; (2) Approve the selection of Francis and Associates, Des Moines to assist in the search; and (3) authorize the Executive Secretary to negotiate a contract with the search firm subject to approval of President McDonald.

In July, the board approved procedures and a schedule for the selection of a Superintendent at the Iowa School for the Deaf. Included in the procedures was the appointment of a Campus Search and Screening Committee to consist of the following persons:

- Professional and Scientific -- one person
- Faculty -- three persons (one elementary, one junior high, one high school)
- Merit -- one person
- Department of Education -- one person
- Alumni -- one person
- ISD Advisory Committee -- one person
- Board Office -- one person (ex officio)

The Board Office recommended the following individuals constitute the membership on the Campus Search and Screening Committee. It was also recommended that Dean Virgil A. Lagomarcino, Dean of the College of Education, Iowa State University, chair the search committee. Dean Lagomarcino chaired the Iowa State University presidential search and would provide a high degree of expertise to the committee. The representative of the institutions were nominated by the Iowa School for the Deaf Senate.

- Representing the Faculty: Julie Holland (elementary); Steve Slater (junior high); and Greg DeRosier (high school).
- Representing the Professional and Scientific staff: Julie Ebers.
- Representing the Merit Employees: Roberta Mitchell.
- Representing the Department of Education: Frank Vance
- Representing Iowa School for the Deaf alumni: Shirley Hampton
- Representing Advisory Committee: Virgil Lagomarcino
- Representing the Board of Regents: Robert J. Barak

The board also authorized the Board Office in consultation with the board president to make recommendations to the board on the selection of a search firm to assist the board and the Campus Committee in identifying appropriate candidates for the Superintendent position. The Board Office identified twenty-six firms as potential candidates for fulfilling the obligations desired by the board. From this list, those firms having experience in the selection of elementary and secondary superintendents and special education administrators were asked to submit formal proposals. The formal proposals including references were reviewed by the Board Office and three firms were selected to be interviewed.

The interviews were conducted by President McDonald, Mr. Richey, and Robert Barak. As a result of these interviews, Francis and Associates was selected to provide services to the Board of Regents in the search for an ISD Superintendent.

The next step in the search process will be for the Campus Search and Screening Committee and the search firm to meet and develop plans for carrying out their respective activities. The committee and the search firm will develop procedures to advertise nationally and identify promising prospects for the Superintendent position. The individuals, so identified, will be reviewed by the committee with the assistance of the search firm. It is estimated that the campus interviews of the candidates will take place some time in November or December, 1986. Recommendations for five or six finalists will be provided to the board in December or January.

MOTION:

Dr. Harris moved that the board approve the following recommendations: (1) Approve the proposed membership of the Campus Search and Screening Committee; (2) Approve the selection of Francis and Associates, Des Moines to assist in the search; and (3) authorize the Executive Secretary to negotiate a contract with the search firm subject to approval of President McDonald. Mr. Tyler seconded the motion, and it passed unanimously.

ADOPTION OF ADMINISTRATIVE RULE ON SELECTION OF FINANCIAL ADVISORS. The Board Office recommended that the Board of Regents approve the adoption of the rule on selection of financial advisors, as amended, to implement a new subsection of the Code of Iowa 262.9 as adopted by the 1986 session of the General Assembly in Senate File 2175.

At its May 1986 meeting, the Board of Regents approved submission of an administrative rule on competitive selection of bond advisors and agents and authorized the executive secretary to file emergency rules for publication in

the Iowa Administrative Bulletin. The new subsection complies with provisions of the state government reorganization bill (S.F. 2175), which requires that the Board of Regents establish procedures for the competitive selection of bond counsel and other advisors or agents involved in bond issuance.

The Notice of Intended Action and Emergency Filed rule were published in the Iowa Administrative Bulletin, Volume IX, No. 26, June 18, 1986. With the emergency filing approved by the board, the rule became effective on May 28, 1986, and has been implemented in the selection of the board's financial advisor and bond counsel.

Rule-making procedures require, however, the simultaneous Notice of Intended Action and the provision of opportunities for public comment. An opportunity was provided on July 22, 1986, for oral presentations on the proposed rule. No one requested an opportunity to speak, and no written comments were received. Subsequently, the staff of the Administrative Rules Review Committee suggested the deleting of two redundant words in 8.8(1) and reorganization of Sections 8.8(2) and 8.8(3). The content of the rules is identical to that approved previously by the board.

The rules as amended are on file in the Board Office.

MOTION:

Mr. Duchon moved that the board approve the adoption of the rule on selection of financial advisors, as amended, to implement a new subsection of the Code of Iowa 262.9 as adopted by the 1986 session of the General Assembly in Senate File 2175. Mr. Tyler seconded the motion, and it was passed unanimously.

PROCEDURAL GUIDE CHANGES. The Board Office recommended that the board approve changes in the Board of Regents Procedural Guide pertaining to the appointment of affirmative action officers at the institutions, the selection of institutional and departmental administrators, the organizational structure of the institutions, the presentation of matters to the Executive Council, the determination of insurance benefits, and the selection of counsel for institutions.

Several changes are recommended in the Board of Regents Procedural Guide. These proposals have been developed in consultation with Presidents Freedman, Curris and Eaton.

The first of the changes, embodied in sections 4.01 and 4.05, will cause the affirmative action officers to be appointed by the board and will make them responsible to the board as are the treasurers and secretaries of the institutions. As was identified by Regent Duchon at a recent board meeting,

the affirmative action officers should know that they have a direct responsibility to the board in providing reports to the board relative to affirmative action and equal opportunity. This change will demonstrate to the public that the affirmative action officers enjoy a degree of independence from the institutions in their reporting functions to the board. Affirmative action officers will continue to have the same employment status with respect to tenure and employment rights as have others in the same category of employment.

The second change, embodied in section 4.05(C&E), identifies the board's practice during the selection process of upper level institutional administrators and provides for the board to be informed of changes that may occur in compensation and duties when an administrator is selected to fill a vacancy or a new position is created.

The third change, embodied in section 4.05(F), requires that the board shall always have at its staff office an organizational chart showing the structure of the institutions it governs. Significant changes in the organizational structure require board approval.

The fourth change, embodied in section 4.35, identifies the current practice relative to changes in insurance benefits. The board has approved insurance programs and contracts for insurance on an infrequent basis as change is infrequent. With the advent of collective bargaining, the board authorized the executive secretary to approve changes on its behalf when the changes were not unusual, were not major, and did not involve new programs. These latter changes have been reported to the board as a part of the annual fringe benefit report. The institutions and Board Office have agreed that this reporting function does not pertain to changes in minor administrative matters or procedures that the institutions and insurance providers need to address.

The fifth change, embodied in section 10.18, identifies what has been the practice relative to items presented to the Executive Council. This practice has ensured that the board is informed of all matters which the Executive Council will consider relative to the institutions the board governs.

The sixth change, embodied in section 10.19, pertains to the selection of counsel for the institutions. It provides that the president of the board or the executive secretary shall be consulted when an institution has need for counsel in a matter where litigation is imminent or underway and provides that requests for outside counsel shall be submitted through the executive secretary.

The full text of the Procedural Guide changes are on file in the Board Office.

Regent Anderson asked if the change to section 10.19 was the current practice.

Mr. Richey stated it had been the practice for many years but had never been incorporated into the Procedural Guide.

Vice President Christensen asked if the reference to "major administrative positions" in 4.05e meant vice presidents, associate vice presidents, deans and major directors.

Mr. Richey stated that was the intent of that section.

MOTION:

Mr. Greig moved that the board approve changes in the Board of Regents Procedural Guide pertaining to the appointment of affirmative action officers at the institutions, the selection of institutional and departmental administrators, the organizational structure of the institutions, the presentation of matters to the Executive Council, the determination of insurance benefits, and the selection of counsel for institutions. Mr. Duchen seconded the motion, and it passed unanimously.

VENDOR APPEAL. The Board Office recommended that the request of Sigrin Gallery and Framing's attorney to have the company's appeal docketed for further consideration by the board be denied.

Director True noted that the supplementary information from Clemens Erdahl, attorney for Sigrin Gallery and Framing, had been received and distributed to the board.

Sigrin Gallery and Framing disputed purchasing actions of the University of Iowa and appealed through the university Vice President for Finance and University Services. Vice President Ellis responded at length to the complaint on December 7, 1984. Following review of the relevant factors and consultation with the Attorney General's Office, the Board Office found no basis to contest the university's review and response to the allegations of Sigrin Gallery's attorney. Sigrin Gallery and Framing has initiated legal action against the board; therefore, the Board Office recommended the firm's request for further consideration by the board be denied. The Attorney General's Office concurred in the recommendation.

MOTION:

Mr. Duchen moved that the board deny consideration of the appeal by Sigrin

Gallery and Framing. Mrs. Anderson seconded the motion, and it passed unanimously.

PETITION FOR HEARING ON IOWA STATE UNIVERSITY COAL CONTRACTS. The Board Office recommended the petition for hearing before the board be denied.

On September 8, 1986, the Executive Secretary received a petition from John Sandre and Philip Ostien, attorneys representing Iowa Fuel and Minerals Company and Iowa Coal Mining Company. The petition requested an oral hearing before the Board of Regents concerning Iowa State University's recently terminated coal contract with Iowa Fuel and Minerals Company, the denial of contract assignment to another coal company, and coal quality penalties assessed by Iowa State University.

The petition requested that the board review issues which were now under litigation or related to litigation initiated on August 15, 1986, by attorneys for Iowa Fuel and Minerals Company. This litigation was commenced before the request for oral hearing before the board.

MOTION: Miss VanEkeren moved that the board deny the request for a hearing from the Iowa Fuel and Minerals Company and Iowa Coal Mining Company. Mr. Duchon seconded the motion, and it passed unanimously.

REGENTS MERIT SYSTEM CLASSIFICATION PLAN. The Board Office recommended that the board approve the following new class descriptions and pay grade assignments, effective October 1, 1986:

<u>Title</u>	<u>Pay Grade</u>
Printer	209
Press Operator I	206
Press Operator II	207
Press Operator III	209

The proposed new classes have been developed in consultation with institutional personnel staff and printing department managers to reflect current technology and to more accurately describe the way duties were currently organized into jobs. Duties of the current classification of Printer, Grade 209, and Linotype Operator, Grade 209, and the letterpress duties of the current Press Operator class, Grade 209, were incorporated in the proposed new classification for Printer in Grade 209.

There is no longer need for the current class of Offset Equipment Operator I in Grade 204. Duties of the current classification of Offset Equipment Operator II, Grade 206, were incorporated in the proposed new class of Press Operator I in Grade 206. Duties of Offset Equipment Operator III, Grade 207,

were incorporated in the proposed Press Operator II class in Grade 207, and the offset duties of the current Press Operator, Grade 209, are covered in a proposed Press Operator III class in Grade 209.

Employees will move into the new classes on October 1. However, because of collective bargaining contract provisions, the current classes which will no longer be used, will not be deleted until next January or July. Union representatives have been consulted about the proposals and do not object. Four employees, all at the University of Northern Iowa, would be upgraded as a result of the proposed action. The university reported that funds were available within existing resources to effect the upgrades.

MOTION: Mr. VanGilst moved that the board approve the changes in the Regents Merit System Classification Plan as outlined above. Mrs. Anderson seconded the motion, and it passed unanimously.

BOARD OFFICE PERSONNEL REGISTER. The following actions on the Board Office personnel register were approved as a part of the consent docket:

Appointments: Lesa Smith, Secretary II, Grade 507, Step 3, at an annual salary of \$14,518 plus the usual fringe benefits, effective July 14, 1986 and Gaye M. Pack, Secretary II, Grade 507, Step 3, at an annual salary of \$14,518 plus the usual fringe benefits, effective August 4, 1986.

Change of Status: Sheila Lodge, Secretary II, from Grade 507, Step 2, \$13,917 annually, to Grade 507, Step 3, \$14,518 annually, effective June 27, 1986; Laurie Helton, from Clerk Typist III, Grade 507, Step 2, \$13,917 annually to Secretary II, Grade 507, Step 3, \$14,518 annually, effective June 27, 1986; Marcia Peters, Assistant Director, Personnel and Employment Relations, from \$27,000 annually to \$29,000 annually, effective June 27, 1986; and Elizabeth C. Stanley, Associate Director, Business and Finance, from \$40,000 annually to \$42,000 annually, effective June 27, 1986.

APPOINTMENTS TO COMMITTEES AND ORGANIZATIONS. The following appointments were approved by general consent of the board: Percy G. Harris, member of the Board of Regents, and Dorsey Ellis, Vice President, Finance and University Services, to the University of Iowa Research Foundation. The terms would expire on September 30, 1989.

NEXT MEETINGS.

October 15-16	University of Northern Iowa	Cedar Falls
November 19-20	University of Iowa	Iowa City
December 17-18	Iowa State University	Ames
January 21-22, 1987		Des Moines
February 18-19	University of Northern Iowa	Cedar Falls
March 11-12	Iowa State University	Ames
April 22	University of Iowa	Iowa City
April 23	Iowa Braille and Sight Saving School	Vinton
May 20-21	Iowa School for the Deaf	Council Bluffs
June 17-18	University of Northern Iowa	Cedar Falls
July 8-9	Iowa State University	Ames
August	No meeting	
September 16-17	University of Iowa	Iowa City
October 21-22	Iowa State University	Ames
November 18-19	Iowa School for the Deaf	Council Bluffs
December 16-17	University of Iowa	Iowa City

ACADEMIC PLANNING SEMINARS.

October 15	Iowa State University
November 19	Special Schools
December 17	Review of Proposed Plans and Conclusions

Regent Anderson asked when the board would consider tuition.

Mr. Richey stated the preliminary recommendations would be made in November with the final decision made by the board in December.

President McDonald then asked board members and institutional executives if there were additional items to be raised pertaining to the general docket. There were none.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, September 17 and Thursday, September 18, 1986.

SALE OF ACADEMIC BUILDING REVENUE REFUNDING BONDS, SERIES SUI 1986. In July 1986, the board authorized the Board Office to work with the university and proceed with arrangements for the sale of Academic Building Revenue Refunding Bonds for the University of Iowa. At that time the board approved a resolution directing the advertisement for the sale of the bonds and authorized the executive secretary to fix the date for the sale of the bonds.

The refunding of these bonds is the initial step in the series of refundings of \$49 million in outstanding bonds to allow substantial restructuring of tuition replacement appropriation needs through 1990. This action will lower the present debt service requirements and enable the issuance of \$29 million in new Academic Revenue Bonds without causing debt service needs to exceed existing appropriations for tuition replacement.

The outstanding bonds selected for refunding were those with the highest interest rates issued in 1981 and 1982. The two bond issues being refunded were sold in 1981 and 1982 at net interest rates of 10.2 percent and 10.9 percent.

Director True stated he had supervised the opening of bids at 11:30 a.m. on September 17 assisted by representatives of Speer Financial. The bids were analyzed by Speer Financial in conjunction with the Price Waterhouse accounting firm which had been selected as escrow verification agent.

President McDonald directed Elwood Barce, Chairman of Speer Financial, to read the bids received and make his recommendation on the acceptance of the best bid.

Mr. Barce stated the bond issue would be \$23,850,000. He indicated three bids had been received.

Merrill Lynch Capital Markets and Associates	6.29763%
John Nuveen & Co., Inc.	6.518084%
Morgan Guaranty Trust Company	6.69992%

Mr. Barce noted that the low bid was an excellent bid and recommended acceptance of it. He stated the bid reflected very well on the university and the Board of Regents.

Mr. Barce stated the last time the Regents had sold bonds was for the Iowa State University Computation Center and the net interest rate was 7.235 percent.

MOTION:

Mr. VanGilst moved that the board adopt a "Resolution providing for the sale and award of \$23,850,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 1986, and approving and authorizing the agreement of such sale and award." Miss VanEkeren seconded the motion, and upon the roll being called, the following voted:
AYE: Anderson, Duchen, Greig, Harris, McDonald, Tyler, VanGilst, VanEkeren.
NAY: None.
ABSENT: Murphy.
Whereupon the president declared the motion duly carried and said resolution adopted.

MOTION:

Mr. Greig moved that the board adopt "A Resolution authorizing and providing for the issuance and securing the payment of \$23,850,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 1986, for the purpose of refunding Academic Building Revenue Bonds heretofore issued to defray costs of buildings and facilities on the campus of the State University of Iowa. Mrs. Anderson seconded the motion, and upon the roll being called, the following voted:
AYE: Anderson, Duchen, Greig, Harris, McDonald, Tyler, VanGilst, VanEkeren.
NAY: None.
ABSENT: Murphy.
Whereupon the president declared the motion duly carried and said resolution adopted.

MOTION:

Miss VanEkeren moved that the board adopt a "Resolution authorizing the execution of an Escrow Agreement to provide for the payment of Academic Building Revenue Bonds." Dr. Harris seconded the motion, and upon the roll being called, the following voted:

AYE: Anderson, Duchen, Greig, Harris,
McDonald, Tyler, VanEkeren, VanGilst.
Whereupon the president declared the motion
duly carried and said resolution adopted.

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

The following business was transacted on Thursday, September 18, 1986.

REGISTER OF PERSONNEL CHANGES. The register of personnel change was approved as a part of the consent docket.

APPOINTMENTS. The board was asked to approve the following appointments:

Mark E. Jensen as Director of the Center for Clinical Studies, College of Dentistry, University of Iowa at a fiscal-year salary of \$59,000 effective September 19, 1986.

Duane E. Thompson, Ph.D. as chair of the Department of Industrial Relations and Human Resources in the College of Business Administration, effective September 18, 1986, at an academic-year salary of \$47,775.

Charles E. Driscoll, M.D. a Head of the Department of Family Practice, College of Medicine, effective September 18, 1986, at an annual salary of \$60,000 plus commutation fraction.

Antonio J.G.B. Damasio, M.D., Ph.D. as Head of the Department of Neurology, College of Medicine, effective September 18, 1986, at an annual salary of \$75,000 plus commutation fraction.

Thomas A. Weingeist, M.D., Ph.D. as Head of the Department of Ophthalmology, College of Medicine, effective September 18, 1986, at an annual salary of \$80,000 plus commutation fraction.

Peter L. Trotter as Director of CONDUIT effective October 1, 1986, at the salary listed in the budget.

Richard Lloyd-Jones as chair of the Programs in Letters, College of Liberal Arts, for a three-year term effective September 18, 1986.

Carl Orgren as Acting University Librarian effective September 1, 1986, at an academic-year salary of \$49,000.

James Rice as Acting Director of the School of Library and Information Science in the College of Liberal Arts effective September 1, 1986, at an academic-year salary of \$31,750.

Judith N. Allen as Chair of the Department of Dance in the Division of Physical Education, College of Liberal Arts, for a one-year term effective September 18, 1986, at an academic-year salary of \$30,750.

ACTION: President McDonald stated the appointments outlined above were approved by general consent of the board.

PHASED RETIREMENT REQUEST. The phased retirement of Dr. Clifford P. Goplerud, Department of Obstetrics and Gynecology, effective September 1, 1986, was approved as a part of the consent docket. Dr. Goplerud proposes to reduce his appointment to 80 percent time through June 1990 and to 50 percent effective July 1, 1990. The university reported first-year savings as a result of this action would be approximately \$11,583.

SPECIAL SECURITY OFFICER. The commissioning of James A. Hale as permanent Special Security Officer was approved as a part of the consent docket.

PROFESSIONAL AND SCIENTIFIC CLASSIFICATION PLAN. The Board Office recommended that the board approve the following changes in title and pay grade assignments:

<u>From</u>	<u>Grade</u>	<u>To</u>	<u>Grade</u>
Director, Engineering and Environmental Services	16 (\$39,805-\$63,105)	Director, Architectural, Engineering and Environmental Services	17 (\$43,080-\$68,300)
Director, Material Services	13 (\$31,405-\$50,220)		14 (\$33,980-\$53,865)
Assistant to the Director (2 positions)	12 (\$29,000-\$46,390)		14 (\$33,980-\$53,865)

The above changes were proposed to reflect increases in duties and responsibilities that were outlined in the university's request and reflected in new classification descriptions submitted to the Board Office. The proposed pay grade assignments have been determined by application of the university's job evaluation system for professional and scientific positions. The changes can be implemented within existing budget resources.

MOTION: Mr. Duchon moved that the board approve the changes in the university's Professional and Scientific Classification Plan. Dr. Harris seconded the motion, and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended the board approve the register for the period July 7 through September 5, 1986.

Associate Director Runner stated there was one project on the register that was not discussed in the docket memorandum. He said bids for the University Hospital School - Replace South Roof project had been solicited in May. The contract in the amount of \$67,000 was awarded to the low bidder in the normal fashion. The bidder was unable to obtain a performance bond. Since contracts cannot be awarded without performance bond or other form of security, the university began to negotiate with the second low bidder and has awarded the contract to that firm.

Highlights of the register are as follows:

PERMISSION TO PROCEED WITH PROJECT PLANNING:

Engineering Research Facility Remodeling

The university requested permission to initiate planning on a project that would extensively renovate the structure at 324 South Madison Street which was acquired in April by the University of Iowa Facilities Corporation. The acquisition of the property was financed by a loan to the Facilities Corporation. The loan would be paid off by ten annual payments from the university.

The university requested the structure be designated as the Engineering Research Facility.

Because of the severe shortage of available research space, the university proposed to renovate the building for the College of Engineering to accommodate research programs. The building is in sound structural condition and is conveniently located to the College of Engineering building.

The university requested permission to obtain the services of an architectural firm to assist in the project planning. The institution asked that the board policy calling for a complete search process for architectural consultants be waived in this instance. The construction cost of the project is estimated at \$1 million.

In lieu of the procedures outlined in the Regents Procedural Guide, the university would select a firm administratively from among those known to be capable of handling the project. The university would return to the board at a subsequent meeting with a recommendation on an architectural firm for this project.

Based on the understanding of the facts that have been provided to the Board Office, including that the project budget is \$1 million, the Board Office concurs in the university's request to administratively select an architectural firm. After the selection, the university will return to the board for approval of a negotiated agreement.

APPROVAL OF PROGRAM STATEMENTS:

Consolidated Material Distribution System

University Hospitals completed preparation of a program statement on this project, which outlined the requirements for a modern consolidated material distribution system. In April, the board authorized the university to proceed with planning on this project.

The project will correct a number of logistical deficiencies in the present storage processing and distribution functions of material services. The project will develop a modern consolidated material distribution center by finishing shelled-in basement space in the pavilions and the general hospital. The space will allow relocation and consolidation of the supply storage, processing and distribution functions of material services in close proximity to the patient care units.

It is planned that the project will be completed in several phases, with the initial phase estimated to costs \$750,000 to be undertaken this fiscal year.

The university requested approval of an agreement for architectural services with Hansen Lind Meyer, Inc., Iowa City, Iowa. The agreement includes design services for all phases of the project and provides for a maximum fee of \$31,315 for the initial phases to be undertaken this year. The maximum fee for subsequent phases of this project will be seven percent of the budgeted construction costs for each phase.

PROJECT DESCRIPTIONS AND BUDGETS:

15 KV West Campus Electrical Loop E Budget \$372,000
Source of Funds: Treasurer's Temporary Investments

This project establishes a new electrical distribution loop on the west campus. This section of the university's electrical system will be identified as Loop E. This project will construct an electrical duct bank along the length of Hawkins Drive and will relieve overloaded conditions on four of the existing electrical loops in that area. Also included in the project is the purchase and installation of electrical cabling and equipment to be installed in the duct bank.

\$294,000 of the \$372,000 project budget is for purchase of electrical

material and equipment. The equipment and material will be obtained through competitive quotations and purchase orders.

The university requested approval to use Physical Plant personnel to install electrical equipment, splice the electrical cable and energize the system. The university estimated that the labor involving university personnel would be approximately \$48,000. Board approval is required, as the work to be done by institutional personnel exceeds the \$25,000 ceiling in the Procedural Guide.

The Board Office notified Master Builders of Iowa and three construction trade associations on Thursday, September 4, of the university's intent to use institutional labor to accomplish this installation work. A response has been received in the Board Office from the Iowa Electrical Contractors Association requesting that the installation be publicly bid.

University Hospital--First and Second Floor East Wing

HVAC System

Budget \$347,100

Source of Funds: University Hospital Building Usage Funds

This project involves replacing the heating, ventilating, and air conditioning equipment, piping and duct work, on two floors of the general hospital. In addition, the project involves installing new chillers and air handlers on the roof of the building.

The university selected the engineering firm of Belin Consultants, Moline, Illinois, as project engineer. The selection was approved by the board in March, 1985. The construction work will be accomplished through public bidding.

University Hospital--Staff Dining and Patient Solarium

Facility

Budget \$897,050

Source of Funds: University Hospital Building Usage Funds

This project involves enclosing 8,500 square feet on the seventh level of the Carver Pavilion to create a new staff dining room. Additional dining facilities are needed to handle the large number of meals served in the hospital to patients, visitors, and staff.

A portion of the enclosed space will be available for future development of a patient solarium. The solarium will be finished at a later date when funds are available.

The University Hospital requested permission to negotiate for architectural services on the project.

Regent Anderson asked if this project was just for a dining area.

Ms. Davis indicated the space would be just for dining and that the existing kitchen could accommodate the preparation of the food.

CONSULTANT AGREEMENTS:

Parklawn Apartments Renovation \$32,577.50
Pierce King Architect and Associates, Iowa City, Iowa

The university requested approval of Pierce King Architects to provide design services to renovation the interior of Parklawn Apartments. The firm prepared a preliminary report concerning the conditions of the building and outlining the scope of the renovation project.

Chemistry-Botany Building Remodeling--Phase II \$705,000
CPMI, Inc., Des Moines, Iowa

The university requested approval of CPMI as project manager on the second phase of the renovation of the Chemistry-Botany Building. In May, the university requested permission to initiate the selection process for an architect and consultants for this project. The university's architectural committee publicly advertised the need for an architectural firm for design services. Proposals from 18 firms were received. The committee reviewed the credentials and materials submitted and selected four firms to be interviewed. On July 29, 1986, the university's architectural selection committee interviewed the four firms. A representative of the Board Office participated in the interviews.

Because the remodeling project is complex, and the building must be occupied during the renovation, the university is very concerned about the scheduling and phasing of the construction. The university would like to minimize the disruption of ongoing instruction and research programs. Therefore, the university recommended that CPMI be appointed project manager with overall responsibility for performance of the design team because of their special expertise in scheduling and cost control. The design architect, Wehner, Pattschull and Pfiffner, and the engineer, Kimmell Jensen Wegerer and Wray, are members of the project design team.

The university recommended the appointment of CPMI as project manager with Wehner, Pattschull, Pfiffner, Iowa City, as architectural consultants, and Kimmell Jensen Wegerer Wray, as mechanical/electrical consultants. The negotiations have been completed, and the agreement for professional design services is for a fixed fee of \$705,000. The fee is 8.2 percent of the \$8.55 million project cost, which is reasonable for a project of this magnitude and complexity.

The project will be funded through the sale of Academic Building Revenue Bonds, approved by the 71st General Assembly.

Consolidated Material Distribution System \$31,315
Hansen Lind Meyer, Inc., Iowa City, Iowa

The university requested approval of Hansen Lind Meyer to provide design services on this project.

University Hospital--Dietary Kitchen Renovation--Phase II Increase \$3,200
Hansen Lind Meyer, Inc., Iowa City, Iowa

The university requested approval of Amendment #4 to the architectural agreement on this project. The amendment is for additional design work associated with incorporating new environmental health requirements into the design documents. With approval of this amendment, the architects agreement increases to \$114,252.20.

CONSTRUCTION CONTRACTS:

The following contracts are referred to the board for action:

College of Law Building--Turnkey Video System \$397,788.21
Video Midwest, Inc., Davenport, Iowa

This contract was referred to the board because only one bid was received. Despite solicitation of bids from four other video equipment vendors, only one response was received. The bid from Video Midwest, Inc., is within the university's estimate for the equipment, and the university requested award of the contract.

The purchase of this equipment is financed from proceeds from the sale of Academic Building Revenue Bonds.

College of Law Building--Library Automation Software \$166,924
Northwestern University, Evanston, Illinois

This contract was originally awarded by the board in April for \$147,500. The revised award of \$166,924 is necessary because a different version of the software is necessary to match with existing administrative data processing systems, and in the recommendation of the award in the April docket inadvertently the university omitted a \$10,000 software interface to the research library information network.

With correction of these two omissions, the university requested approval of the revised award to Northwestern University for the automation software in the College of Law Library. The revised amount of the award does not change the order of the three bids received in April.

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

Iowa Memorial Union Remodeling--Phase I, Asbestos Abatement \$72,063
Award to: Quad Cities Insulation, Inc., Burlington, Iowa
(3 bids received)

This contract involves the asbestos removal portion of the Memorial Union Remodeling Project.

Bussard/Dikis Architects, Des Moines, Iowa, are architects for the project.

Field House and Athletic Office Building Remodeling--Phase I,
Replace Windows \$32,692
Award to: Iowa Glass Contractors, Inc., Des Moines, Iowa
(4 bids received)

This contract involves the removal and replacement of the operable windows in the former Athletic Office Building.

Quadrangle Residence Hall--Pharmacy Offices \$376,142
Award to: McComas-Lacina Construction Co., Inc., Iowa City, Iowa
(5 bids received)

This project involves remodeling 8,000 square feet of space in the Quadrangle Residence Hall to provide faculty and graduate offices for the College of Pharmacy. The project was approved by the board in April, 1986. The project budget is \$548,850.

The source of funds is general university building repairs and income from Treasurer's Temporary Investment. Brooks, Borg, and Skiles, architects, were appointed project architect for the project.

CHANGE ORDERS TO CONSTRUCTION CONTRACTS:

New Telecommunications System
Universal Communications Systems, Roanoke, VA
Change Order #3 Deduct \$32,620
Change Order #4 Add \$11,200

Change Order #3 deletes the requirement for conversion software on the Central Telecommunications System because a recent upgrade incorporates the improvement in the university's mainframe computer.

Change Order #4 involves a required upgrade in the hardware at the terminals of the fiber optics cable serving the Oakdale Campus. Different hardware is needed because of changes in the design capabilities of the fiber optics cable that will be provided by the university.

The new amount of the contract with Universal Communications, including change orders #3 and #4, is \$15,090,432.75.

Main Power Plant Boiler Replacement Program--Phase I--
Contract No. 3--Steam Generating Unit
Riley Stoker Corporation, Worcester, MA
Change Order #2

Deduct \$39,985

The university requested approval of change order #2 that deletes the finished painting requirement of the structural steel. The structural steel will be primed, and the finished painting will be deferred until after the structure is in place. With the approval of the change order, the adjusted contract amount with Riley Stoker Corporation is \$8,090,460.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS:

The university reported acceptance of construction contracts on three projects. Inspections found that in each case the contractor complied with the plans and specifications. The university recommended that the work be accepted as complete.

FINAL REPORTS:

The university submitted final reports on nine completed capital projects.

Regent Tyler asked about the progress on selection of an architect for the Recreation Building.

Vice President Ellis stated the university was currently negotiating with an engineering firm on that project and hopefully would have a report to the board in October.

The entire register is on file in the Board Office.

MOTION:

Mr. Tyler moved that the board approve the Register of Capital Improvement Business Transactions. Mr. VanGilst seconded the motion, and it passed unanimously.

LEASES. The Board Office recommended the board approve the leases, lease amendment, and lease termination as follows:

- a) with CRESTON GREATER COMMUNITY HOSPITAL for the university's use of 400 square feet of office and general access space and other scheduled space in the hospital's building at Cottonwood and Townline in Creston for a term of four years commencing October 1, 1986, and ending September 30, 1990, at an annual rent of \$1,800 including utilities and services; and

- b) with the U.S. DEPARTMENT OF THE ARMY deleting, effective July 1, 1986, from an existing five-year lease dated July 1, 1984, the portions of land known as Turkey Creek Biological Preserve consisting of 185 acres and Tract B-102 consisting of 20 acres with all other terms and conditions of the 1984 lease remaining unchanged; and
- c) with SPENCER MUNICIPAL HOSPITAL for the university's use of 200 square feet of office space in the hospital's building in Spencer for a term of one year commencing October 1, 1986 and ending September 30, 1987, at an annual rent of \$600 including utilities and services; and
- d) with TULL and SISSELL for the termination of a lease approved by the board in May 1986 which provided for the university's use of approximately 909 square feet of office space in the building located at 907 West Townline, Creston for a term of one year commencing June 1, 1986.

The space in the Creston Greater Community Hospital will be used by the university as a regional office and clinic for Regional Child Health Specialty Clinics. The rent includes water, heat, utilities, trash and garbage collection, and all maintenance. The rent of \$150 per month represents a \$4.50 per square foot per year rate and is considered fair and equitable. The rent can be adjusted annually to compensate the hospital for increased utility costs. This lease will represent a saving of \$3,360 per year for this program compared to the present cost for leasing space for the program. The lease can be terminated by either the landlord or tenant upon sixty-days' written notice.

In September 1984 the board approved a five-year lease beginning July 1, 1984, with the U.S. Department of the Army for the benefit of the university for the use of approximately 620 acres of land and water in the Coralville Lake Project Area. The property leased by the university was known as the Macbride Field Campus. One of the terms of the lease required the university to provide a plan and funds for improving the land. The university has completed its plans and finds that it cannot afford to utilize and develop the entire property. The university has negotiated an amendment to the present lease which would permit the university to retain 415 acres of the property and develop it. The university would be released from two parcels containing 205 acres. The university would be responsible under the terms of the lease approved in September 1984 for improvements on the remaining 415 acres with a value of not less than \$50,000 in fiscal year 1987 and \$25,000 in each of fiscal years 1988 and 1989. The university reports the property is used as a resource for education, research, and public recreation while the environmental integrity of the area is preserved. The university is renaming the area the MACBRIDE NATURE RECREATION AREA. The university does not pay rent for the use of this property; it did agree to pay for improvements valued as noted above.

The university uses the space in the Spencer Municipal Hospital 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 rent of \$50 per month (\$3.00 per square foot per year) is considered fair and equitable.

In May 1986 the board approved a lease with Sissell and Tull commencing June 1, 1986, for the university's use of approximately 909 square feet of office space at 907 West Townline, Creston. The space has been used for the Regional Child Health Specialty Clinics in Creston. The lease provided that either party could terminate the lease on thirty-days' written notice. The university gave notice pursuant to the lease and vacated the property on August 31, 1986. This notice was given so that the university could avail itself of the opportunity to locate the Clinic at the Spencer Municipal Hospital. The hospital location is programmatically advantageous to the university and requires a lower rent.

The requirements of Executive Order No. 44 were considered in leases with Creston Greater Community Hospital and Spencer Municipal Hospital. There are presently no school buildings available in either Creston or Spencer.

MOTION:

Dr. Harris moved that the board approve the leases, lease amendment and lease termination as follows: (a) with CRESTON GREATER COMMUNITY HOSPITAL for the university's use of 400 square feet of office and general access space and other scheduled space in the hospital's building at Cottonwood and Townline in Creston for a term of four years commencing October 1, 1986, and ending September 30, 1990, at an annual rent of \$1,800 including utilities and services; and (b) with the U.S. DEPARTMENT OF THE ARMY deleting, effective July 1, 1986, from an existing five-year lease dated July 1, 1984, the portions of land known as Turkey Creek Biological Preserve consisting of 185 acres and Tract B-102 consisting of 20 acres with all other terms and conditions of the 1984 lease remaining unchanged; and (c) with SPENCER MUNICIPAL HOSPITAL for the university's use of 200 square feet of office space in the hospital's building in Spencer for a term of one year commencing October 1, 1986 and ending September 30, 1987, at an annual rent of \$600 including utilities and services;

and (d) with TULL and SISSELL for the termination of a lease approved by the board in May 1986 which provided for the university's use of approximately 909 square feet of office space in the building located at 907 West Townline, Creston for a term of one year commencing June 1, 1986. Mr. Duchen seconded the motion, and upon the roll being called, the following voted:
 AYE: Anderson, Duchen, Greig, Harris, McDonald, Tyler, VanEkeren, VanGilst.
 NAY: None.
 ABSENT: Murphy.

NEW TELECOMMUNICATIONS SYSTEM -- GENERAL UNIVERSITY AND RESIDENCE HALLS SYSTEM RATE STRUCTURE. The Board Office recommended the board approve the general university and residence halls system telecommunications rate structure.

The university is now installing a modern telecommunications system throughout the campus. This new system is anticipated to begin serving the general university and residence halls on December 22, 1986. The University Hospitals and Clinics is expected to be served by the new telecommunications system beginning March 20, 1987. A very similar telecommunications system was placed in service at Iowa State University in December, 1985.

The university requested board approval of rates of charge needed to meet the total cost for telecommunications services. Total cost includes operating costs, maintenance, trunk line connections to the Northwestern Bell central office, and debt service on \$20 million in bonds sold by the board in June, 1985 to finance the project. Proposed monthly charges for Fiscal Year 1987 are \$17.50 for a single line and \$1.25 for each telephone instrument. The present monthly charge for one line and one telephone instrument is \$18.65 for rotary dial and would be \$20.30 for touchtone service. A full listing of the monthly charges recommended by the university is shown below.

Proposed Monthly Charges - Fiscal Year 1987

Single line dial tone without instrument	\$ 17.50
Instruments:	
Single line desk or wall instrument	1.25
D-Term IV-B (eight line appearances)	20.00
D-Term V (sixteen line appearances)	29.38

The rates proposed by the university are very similar to those approved for Iowa State University in November, 1985. Iowa State University had an approved monthly charge of \$18.50 for a single line with a single telephone instrument.

The university reported telephone service to students in residence halls and family housing will be provided as a basic service included in the housing unit rent. Service to single student residences will be provided to the Residence System in bulk at the rate of \$17.50 per month per room for twelve months. For service to residents of family housing, the university reported that Residence System will be provided service at standard rates according to unit occupancy.

The university reported that the new system will provide touchtone service within the basic monthly charge as well as several other features. Those features include on-campus five-digit dialing and access to lowest cost long distance routing. Other standard, modern features include hold, call transfer, three-party conference, on-campus call back, call forward and call pick-up.

MOTION: Dr. Harris moved that the board approve the general university and residence halls system telecommunication rate structure as outlined above. Mrs. Anderson seconded the motion, and it passed unanimously.

NAMING OF BUILDING. The university recommended the new law building be designated the Boyd Law Building in honor of President Emeritus Willard L. Boyd.

Willard L. (Sandy) Boyd became the fifteenth president of the University of Iowa in 1969 and served as president until 1981. Mr. Boyd joined the University of Iowa law faculty in 1954 and served as Vice President for Academic Affairs and Dean of the Faculties for five years prior to becoming president.

Regent Harris stated he was proud to make the motion to honor President Boyd in this manner.

MOTION: Dr. Harris moved that the new law building be designated the Boyd Law Building in honor of President Emeritus Willard L. Boyd. Miss VanEkeren seconded the motion, and it passed unanimously.

STATE UNIVERSITY OF IOWA
September 17-18, 1986

President McDonald 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 Thursday, September 18, 1986.

REGISTER OF PERSONNEL CHANGES. The registers for the months of July and August 1986 were approved as a part of the consent docket.

APPOINTMENTS. The board was asked to approved the following appointments:

Dr. Claudia L. Hale as acting chair of Speech Communication, effective September 1, 1986, through June 30, 1988, at the salary of \$34,900.

Jerry Knox as acting chair of the Department of Community and Regional Planning, effective July 3, 1986, through June 30, 1987, at the salary of \$49,438.

Robert J. Krotz as Acting Director of Development, effective September 1, 1986, at the salary of \$46,100.

ACTION: President McDonald stated the appointments outlined above were approved by general consent of the board.

PHASED RETIREMENT REQUESTS. The board approved the phased retirement requests of Ross A. Engel, Professor of Professional Studies in Education, effective August 21, 1986; and of Darwin Robert Lewka, electronics technician in the Ames Laboratory, effective August 1, 1986, as a part of the consent docket.

Professor Engel proposes to reduce his appointment to 50 percent until retirement on or before May 20, 1991. The university reported that released funds in the amount of \$16,680 for the first year would be used to meet other staffing requirements in Educational Administration.

Mr. Lewka proposes to reduce his appointment to 80 percent, effective August 1 through January 31, 1987, when he plans to retire. Released funds in the amount of \$2,568 will be used to cover budget deficits.

NAME CHANGE. The Board Office recommended the request to change the name of the Department of Civil Engineering to Civil and Construction Engineering at

Iowa State University be referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

MOTION: Dr. Harris moved that the recommended action be approved. Mr. Greig seconded the motion, and it passed unanimously.

POST AUDIT REPORT. The Board Office recommended the post audit report on the Ph.D. Degree in Family Environment at Iowa State University be referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

MOTION: Dr. Harris moved that the recommended action be approved. Mr. VanGilst seconded the motion, and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approval of the register for the period July 18 through September 18, 1986, with the exception for rejecting all bids for the Beardshear Hall Atrium Sprinkler System.

Highlights of the register are as follows:

PROJECT DESCRIPTIONS AND BUDGETS:

<u>Friley Hall Renovation--Phase 5</u>	Original Budget	<u>\$1,100,000</u>
Source of Funds: Dormitory System Surplus	Revised Budget	<u>\$1,300,000</u>

In February, 1986, the board approved the preliminary budget for this project. The project is a continuation of a remodeling program that renovates 65 student rooms and associated living spaces. The Department of Residence Halls administrative offices are also remodeled as part of this project.

The university requested approval of a \$200,000 increase in the budget to cover the cost of installing an automatic fire sprinkler system and incorporate construction of a new handicapped entrance to the administrative offices.

Brooks, Borg & Skiles, Architects/Engineers of Des Moines, Iowa, are architectural consultants on the project. Story Construction Company of Ames, Iowa, is construction manager.

<u>Gilman Hall Renovations--Phase II</u>	Revised Budget	<u>\$5,906,000</u>
Source of Funds: 71st General Assembly		
Academic Revenue Bonds and Income from Treasurer's		
Temporary Investments		

In April, 1986, the board approved a project budget of \$506,000 for a portion of the Gilman Hall Renovation, Phase II. The second phase consists of three stages of work. A project currently underway renovates the area vacated by chemistry stores into physical chemistry teaching laboratories.

The second session of the 71st General Assembly authorized \$5.4 million in Academic Building Revenue Bonds for the remainder of Gilman Hall Renovation, Phase II. The revised budget of \$5,906,000 results from the consolidation of the project currently under construction, and the renovation of the southeast and southwest wings that will be financed through the sale of bonds.

The university requested approval of an agreement with Wehner, Pattschull, and Pfiffner Architects, Iowa City, Iowa, to provide architectural services for this project.

Compensation for completion of the design services through construction documents, bidding and construction phases, is for a fixed maximum of \$232,440 on stage two, and \$225,000 for stage three.

Mackay Hall--Fire Damage Repair and Equipment

<u>Replacement</u>	Original Budget	<u>\$269,800</u>
Source of Funds: Iowa Executive Council	Revised Budget	<u>\$299,000</u>
Casualty Loss Contingent		
Fund (29C.20) and Income		
from Treasurer's Temporary		
Investments		

In December, 1985, the board approved a project involving the design and reconstruction of two laboratories damaged by fire. The project includes the purchase of replacement laboratory equipment and casework.

On January 20, 1986, the Iowa Executive Council approved \$232,900 for the project from emergency funds allocated under 29C.20 of the Code of Iowa.

The revised budget is necessary to incorporate required safety improvements into the design to permit the use of radioactive isotopes in the laboratory. The additional funds for the project are from Treasurer's Temporary Investment income.

The university received bids on July 2, 1986, for the construction portion of the project. All bids exceeded the available budget. The bid documents included an alternate associated with the additional safety improvements, which the university wanted to incorporate into the project. The contract was awarded by the Executive Secretary to F. Schill & Sons, Inc., Ames, Iowa, for \$95,302. Architects on the project are Rudi/Lee/Dreyer and Associates, Ames, Iowa.

Amended budgets are presented on the following three projects to reflect recent awards of construction contracts:

Beardshear Hall--Atrium Sprinkler System Amended Budget \$335,000
Source of Funds: 70th General Assembly Capital
Appropriation (Fire Safety
Deficiency Corrections) and
Building Repair Funds or Income
from Treasurer's Temporary Investment

The amended budget is presented on the register because of a requested award of a contract for the automatic fire sprinkler system.

Utilities--Replace Steam Generators No. 1 & 2 Budget \$26,500,000
Source of Funds: Utility System Revenue Bonds,
Series ISU 1985

The amended budget reflects the award of the contract for the material handling equipment to Fairfield Engineering Company of Marion, Ohio.

The contract is for fabrication and installation of the coal handling equipment associated with the installation of the two new fluidized bed boilers. Burns and McDonald Engineering Company, Kansas City, are providing design services on the project.

Utilities--Wallace-Wilson Boiler Replacement \$300,000
Source of Funds: Dormitory Surplus Funds

The university presented for approval by the board a project that will replace the current boilers at Wallace-Wilson residence complex with new oil/gas fired boilers. The existing boilers, which are 18 years old, operate inefficiently and are costly to maintain. The project includes upgrading of the control system to improve performance and efficiency of the boilers.

CONSULTANT AGREEMENTS:

Meats Laboratory--Addition for Meat Irradiation
Technology Center (MITC)
Rudi/Lee/Dreyer & Associates, Ames, Iowa \$52,000
(Predesign Study)

CH₂M Hill, Albuquerque, NM \$83,450
(Predesign Study)

In April, the university reported on the progress in obtaining funding and approval from the Department of Energy for the Meat Irradiation Technology Center.

At that time, the university requested permission to initiate the selection process for an architect and consultants to design the addition to the Meats Laboratory that will house the Meat Irradiation Center. The university's architectural selection committee publicly advertised the need for an architectural firm. Proposals from 19 firms were received. The committee reviewed the credentials and materials submitted and selected four firms for personal interviews. Regent John Greig and a member of the Board Office staff participated with the university in the architectural interviews which occurred on August 12, 1986.

The university recommended approval of Rudi/Lee/Dreyer and Associates of Ames, Iowa, as architect on this project. Because the Center will contain radiation facilities, the university requested approval of a consultant for the design of the irradiator and related systems. The university recommended selection of CH,M Hill of Albuquerque, New Mexico, for these services. Compensation for the architect will be a fixed maximum of \$41,000 plus reimbursables. Compensation for the radiation consultant will be a maximum of \$76,150 plus reimbursables. An additional consultant for meat processing will probably be required later in the project. The agreements for both consultants will not be finalized until the Department of Energy has provided their approval and the funding is released.

Gilman Hall Renovations--Phase II

Wehner, Pattschull and Pfiffner, Iowa City, Iowa
(Design Services)

<u>Stage 2--Renovation of the Southeast Wing</u>	<u>\$232,440</u>
<u>Stage 3--Renovation of the Southwest Wing</u>	<u>\$225,000</u>

The university requested approval of negotiated agreements with Wehner, Pattschull and Pfiffner for both stages of the Gilman Hall Renovation Project.

In soliciting proposals from architects for the initial phase of the Gilman Hall Renovation, the university advertised its intention to select a firm for all phases of the renovation project. The Wehner, Pattschull and Pfiffner architectural firm was selected as a result of that initial process. The university did not re-solicit proposals from architectural firms and requested the board's approval of these agreements.

CONSTRUCTION CONTRACTS:

The following contract is referred to the board for action:

Beardshear Hall--Atrium Sprinkler System

Award to: Midwest Automatic Fire Sprinkler Company, Des Moines, Iowa

Requested Award Price of: \$135,800

This contract was referred to the board for action because only one bid was received, and the bid exceeded the construction estimate. The project consists of two types of work, a sprinkler and fire alarm portion and a general, mechanical, and electrical portion. Analysis of the bid by the university and consultants found that the combination of two different types of work within a single bid package may have contributed in receiving only one bid. The price for the sprinkler and fire alarm system was within the engineer's estimate. The general, mechanical, and electrical portion of the project exceeded the estimate and resulted in the bid exceeding the budget.

The university would like to enter into an agreement with Midwest for the sprinkler and fire alarm portion of the work. The price for that portion is \$135,800. The remainder of the project would then be re-bid. However, there is no assurance that the price for the sprinkler and fire alarm is competitive.

The Board Office recommended that the bid for the sprinkler and fire alarm project be rejected, and the project should then be re-bid as two contracts.

Vice President Madden stated there were two firms in the state which had historically been bidding on sprinkler work. One firm elected not to submit a bid. He stated the university believed it could more efficiently do repair work with its own workforce after the bidder installed the alarms and piping. He stated he would recommend to award a sprinkler contract and complete the remainder of the project inhouse or with the use of contract labor. He stated he did not anticipate any other bidders on the project if it were rebid.

After discussion by the Board Office, the Board Office concurred in the institution's request to award the sprinkler and alarm portion of the project to Midwest and to authorize the university to proceed with the other work with inhouse labor.

Three construction awards were made by the Executive Secretary on behalf of the board:

Residence Halls--Fire Safety Improvements--Fire Alarm
Systems--Phase I

Award to: Nikkel & Associates, Inc., Ames, Iowa

Base Bid of:

\$386,300

(5 bids received)

This project is part of a \$1.2 million program to install fire safety improvements to the 16 residence halls. Source of funds for the project is Dormitory System Surplus.

Utilities--Replace Steam Generators No. 1 & 2--Material
Handling Equipment

Award to: The Fairfield Engineering Company, Marion, OH

Base Bid of:

(7 bids received)

\$1,023,012

This contract involves the fabrication and construction of handling equipment, and is part of the Power Plant Replacement Project.

MacKay Hall--Fire Damage Repair and Equipment Replacement

Award to: R. Schill & Sons, Inc., Ames, IA

Base Bid of \$80,844, plus Alt. #1 of \$14,458 =

TOTAL AWARD OF:

(3 bids received)

\$95,302

All bids received on this project exceeded the budget approved. Part of the increased cost was due to the inclusion of additional environmental safety improvements in the project. Because the university wanted to proceed with the project and incorporate the safety improvements at this time, the Executive Secretary awarded the contract. The university presents a revised project budget elsewhere in the capital register to accommodate the contract award.

CHANGE ORDERS TO CONSTRUCTION CONTRACTS:

Menninga Electric, Inc., Pella, Iowa

Increase \$82,599

The university requests the board's approval of one change order on the Agronomy Building Addition Project. At the time the construction contracts were awarded on the Agronomy Addition, the design of the new Telecommunication System was not finalized. Additional work must be done in the new building to incorporate all the capabilities of the telecommunications system. The university examined several alternatives for installing the required telecommunications service within the building. The change order involves additional work by the prime electrical contractor to install electrical risers and wiring within the building for the telephones. As a result of that analysis, the university determined that the quickest and least expensive method was by change order with the electrical contractor who was working in the building. With approval of this change order, the new net amount of the contract with Menninga Electric is \$1,558,299.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS:

The university reported completion of two construction contracts during the reporting period. Inspection of the work on the contracts found that the contractors complied with the plans and specifications. The university recommends that the work be accepted as complete.

FINAL REPORTS:

The university submitted final reports on 26 projects. The university indicated on the registers the final accounting of the funding for these 26 projects.

The entire register is on file in the Board Office.

MOTION:

Dr. Harris moved that the board approve the Register of Capital Improvement Business Transactions as submitted except for rejecting all bids for the Beardshear Hall Atrium Sprinkler System approving a negotiated contract with Midwest and authorizing the university to undertake a portion of the Beardshear Hall Atrium Sprinkler Project with in house labor. Mrs. Anderson seconded the motion, and it passed unanimously.

TRANSIT SERVICE COOPERATIVE AGREEMENT. The Board Office recommended that the board receive notification of the approval of a five-year agreement, effective July 1, 1986, between the university, the university's Government of the Student Body, and the City of Ames for the purpose of providing a transit service in the city of Ames.

At its April 1986 meeting, the board conditionally approved this agreement and authorized the executive secretary to give final approval to the agreement when a satisfactory liability clause had been drafted. The university agreed to engage in discussion with the city and the State Attorney General's office for the purpose of modifying the liability clause. The consultation has taken place, and a new liability clause drafted which meets the requirements of the state. With the completion of the satisfactory liability clause, the board's executive secretary approved the agreement.

ACTION:

President McDonald stated the report was received by consent of the board.

LOTTERY PROPOSAL - AGRICULTURAL BIOTECHNOLOGY PROGRAM. The Board Office recommended approval of the university's proposal for the allocation of \$3.75 million in lottery funds for agricultural biotechnology programs.

During the 1986 legislative session, \$3.75 million in lottery funds were designated for allocation to Iowa State University for agricultural biotechnology research and development. The balance of the lottery research and development funds are to be allocated by the Department of Economic Development for research and development purposes at institutions of higher

education within the state. These additional funds are allocated on the basis of competitive selection procedures. The universities' proposals for the use of Fiscal Year 1987 lottery funds, other than those designated for agricultural biotechnology at Iowa State University, are to be presented to the board for consideration later this fall.

Iowa State University presented approval its proposal for the use of the \$3.75 million in lottery funds designated for support of agricultural biotechnology programs. Following Regent action on the proposal, it will be submitted to the Department of Economic Development for funding.

The university proposed to use these funds in a variety of ways. Most of the funds were recommended for support of research projects conducted by current faculty members and in the initiation of research by new faculty members. The following table outlines the proposed distribution of funds:

Proposed Allocation of FY 1987 Agricultural Biotechnology Lottery Funds

Research Projects of Current Faculty	\$1,740,000
Initiation of Molecular Biology Research by New Faculty	1,200,000
Operation of University-Wide Instrumentation Laboratories	150,000
Training Grants	300,000
Bioethics Studies	50,000
Workshops/Colloquia/Faculty Improvement	30,000
Program Development and Technology Transfer	<u>280,000</u>
TOTAL	\$3,750,000

This distribution of funds was recommended by the Iowa State University Biotechnology Council which was established in July, 1984 and reports to the Vice President for Research. The council is made up of faculty members from each of the five colleges with active research programs in the biological sciences. The council is responsible for providing recommendations to the university administration on the use of funds available from the state of Iowa and other sources to support biotechnology research.

An Industry Advisory Board was appointed in May 1986 to assist the Biotechnology Council. This board has met with the Biotechnology Council and with the university administration. For the review of project proposals, an

external review panel was selected with membership from the other major universities.

Elements of the university's proposal is discussed below.

Research Projects of Current Faculty

Proposals for research projects in biotechnology were solicited from the university faculty in June 1986. The development of interdepartmental research teams was encouraged and the focus areas selected were: plant breeding, plant growth and development, plant health, agricultural and industrial product development, animal breeding, animal growth and development, and animal health.

Forty-five proposals were received and were reviewed through separate internal and external review mechanisms. Internal reviews were conducted by committees composed of departmental executive officers. External reviews were conducted by the ten-member Industry Advisory Board and the four-member external review panel. The recommendations resulting from both internal and external reviews were presented to the Biotechnology Council. Sixteen proposals were recommended by the Biotechnology Council for funding. These recommendations were subsequently reviewed and approved by the Vice President for Research and the President of the university.

The project topics, the principal investigators, and the funding levels for each of the projects are summarized in the university's proposal. Areas of investigation include the use of molecular biology to study plant disease, studies of the mechanisms controlling nitrogen fixation in soybeans and research to enhance the effectiveness of maize breeding programs.

Projects related to animal health include studies of new techniques for the preparation of vaccines based upon recombinant DNA technology, the use of biotechnological methods for the development of vaccines for turkeys and the investigation of the effective control of face flies. Other investigations are to study gene regulation during animal growth and development and genetic improvements to achieve disease resistance and reproductive efficiency in pigs and chickens. Researchers are to study genetic differences and interactions as they relate to milk production, potentially improving the efficiency of food production.

Additional areas of investigation include the study of plant genes to produce more stress tolerant crop plants, improvements in the production of propionic acid (a preservative and mold inhibitor) by microbial fermentation, and the study of the characteristics of the enzyme glucoamylase (important in the production of high-glucose and high-fructose syrups manufactured in Iowa).

Initiation of Molecular Biology Research by New Faculty

A total of \$1.2 million in agricultural biotechnology lottery funds was recommended to be set aside to provide start-up funds for research to be conducted by new faculty members. Start-up funds of \$300,000 have been designated for the use of the newly endowed chair in the molecular biology of maize. This chair was endowed by the Pioneer Hi-Bred Company, matching \$500,000 in Fiscal Year 1986 lottery funds.

Start-up funds of \$150,000 each are to be provided for six new faculty members with research interests in molecular biology. The start-up funds will permit each of these faculty members, all of whom have joined the faculty since July 1, 1986, to equip laboratories and begin research programs. The research areas represented by these new appointees include maize breeding, molecular biology, pathogenic microbiology, avian disease control; immunobiology and endocrinology/pharmacology. They are housed in the departments of agronomy, zoology, biochemistry and biophysics and the Veterinary Medical Research Institute.

Operation of University-Wide Instrumentation Laboratories

The university proposed to designate \$150,000 for supplies and technician salaries in partial support of the university-wide instrumentation laboratories. Laboratories already established are for cell-sorting, nucleic acid synthesis and sequencing and protein synthesis, sequencing, and characterization. Other university-wide laboratories under consideration are for nuclear magnetic resonance, electron microscopy and fermentation.

Additional operating costs of the laboratories are to be provided by user fees. The laboratories provide basic support to the universities' biotechnology program and are available to industry and other outside organizations.

Training Grants

The university proposed to reserve \$300,000 for traineeships in agricultural biotechnology to attract gifted graduate students and post-doctoral associates to the university's research programs. These traineeships are expected to begin by the summer of 1987 and will supplement existing funds for graduate assistantships and post-doctoral appointments.

Bioethics Studies

The Lottery fund distribution statute requires that Iowa State University use \$50,000 in both Fiscal Year 1987 and Fiscal Year 1988 to develop a program in bioethics for research at the university. The legislation indicated that

this program should address the socioeconomic and environmental implications of biotechnology research.

The university proposed the use of \$50,000 in Fiscal Year 1987 for graduate student stipends. A committee of ten faculty members from areas including economics, social science and humanities will study issues related to bioethics and a series of reports will be prepared. A major seminar is planned for the spring of 1987. Additional outside support for this seminar is to be solicited.

Workshops/Colloquia/Faculty Improvement

An allocation of \$30,000 was recommended in order to provide a series of workshops on modern techniques in biotechnology. Opportunities may also be provided for researchers to travel to other laboratories to study new procedures.

Program Development and Technology Transfer

The university recommended the allocation of \$280,000 for program development and technology transfer. This effort is to be coordinated by the Biotechnology Council. An aggressive technology transfer program is intended to encourage investment in product development and production in Iowa. It is hoped that such investment will provide new job opportunities by expansion of Iowa-based companies and attraction of new companies to the state.

Program development funds will help to support the activities of the Biotechnology Council and will provide funds for presently unforeseen opportunities for development of the agricultural biotechnology program with the guidance of the Biotechnology Council and approval of the university president.

The university reported that required matching funds will be provided from a combination of outside contract funds, general revenues, and federal funds. General revenues include income from Treasurer's Temporary Investments and indirect cost recoveries. It was anticipated that additional grant and contract funds will become available as matching funds as the new research became established.

Iowa State University's proposal for the allocation of FY 1987 agricultural biotechnology lottery funds emphasized the support of research projects and associated activities. It was noteworthy that the university developed a sound procedure for the competitive selection of projects utilizing peer review with both internal and external reviewers. It was also noteworthy that significant funding is provided for start-up costs for research to be conducted by new faculty members in the area of agricultural biotechnology. The remaining areas recommended for funding - instrumentation laboratories, training grants, bioethics studies, faculty improvement, and technology

transfer - are all recommended as critical to agricultural biotechnology development at Iowa State University.

President Eaton stated the proposal was the result of a very careful review by highly qualified people.

MOTION: Mr. VanGilst moved that the board approve Iowa State University's proposal for allocation of \$3.75 million in lottery funds for agricultural biotechnology programs.

Regent Greig stated he felt every project was very worthwhile.

VOTE ON MOTION: Motion approved unanimously.

LEASES. The Board Office recommended that the board approve leases for the period October 1, 1986, through June 30, 1987, with fiscal year extensions commencing July 1, 1987, unless a 12-months' notice of termination is given by either party, with the Iowa State Memorial Union, for the university's use of space in the Union, as follows:

- a) by the Telecommunications Department, 2100 square feet of finished floor space comprising rooms 250, 251, and 254 of the 1978 Southeast Addition to the Union at an annual cost of \$10,005; and
- b) by the University Copy Center, 1400 square feet of floor space in the basement games area of the Union at an annual cost of \$2,800; and
- c) by the Iowa State University Bookstore, 23,575 square feet of on the ground and basement floors of the 1972 addition to the Union at an annual cost of \$132,512.50.

The Iowa State Memorial Union is a corporation separate from the university. The university leases space from the Union for certain university functions which cannot be accommodated in university buildings or which or more conveniently located in the Union. Rent is calculated by a formula which takes into account the quality of the space rented.

The university's Telecommunications Department utilizes its space in the Union for training purposes associated with the university's telephone system and for administrative functions such as moves, adds, changes, billing, traffic and engineering. The university considers the increase in rent from the present \$4.75 per square foot per month to \$5.00 per square foot per month (5.3 percent) to be fair and equitable.

The university's Printing Department has satellite copy centers which provide services to faculty, staff, and students at various locations on the campus. The high student traffic in the Union makes this location partic-

ularly desirable to meet students' needs. The rent for this area is calculated at \$2.00 per square foot per year as the area is not considered finished. The university reports the rental rate to be fair and equitable.

The Iowa State University Bookstore is a self supporting operation. It presently occupies the same space covered by this proposed new lease. The rental rate has been increased by 25 cents per square foot per year for the space leased. Not all space is leased at the same rate as the quality of the space varies. Under the new lease the rates will vary from \$3.50 to \$6.00 per square foot per year. The increase in the rental rate can be accommodated in the bookstore's pricing structure and is considered fair and equitable.

MOTION:

Dr. Harris moved that the board approve leases for the period October 1, 1986, through June 30, 1987, with fiscal year extensions commencing July 1, 1987, unless a 12-months' notice of termination is given by either party, with the Iowa State Memorial Union, for the university's use of space in the Union, as follows: (a) by the Telecommunications Department, 2100 square feet of finished floor space comprising rooms 250, 251, and 254 of the 1978 Southeast Addition to the Union at an annual cost of \$10,005; and (b) by the University Copy Center, 1400 square feet of floor space in the basement games area of the Union at an annual cost of \$2,800; and (c) by the Iowa State University Bookstore, 23,575 square feet of on the ground and basement floors of the 1972 addition to the Union at an annual cost of \$132,512.50. Mr. Greig seconded the motion, and upon the roll being called, the following voted:
AYE: Anderson, Duchon, Greig, Harris, McDonald, Tyler, VanGilst.
NAY: None.
ABSENT: Murphy, VanEkeren.

AREA EXTENSION OFFICE LEASES. The Board Office recommended approval of the following leases with landlords:

- a) LES NELSON INVESTMENTS, (amendment) for the use of approximately 3,978 square feet of office space in the building at 1631 4th Street SW, Mason City, Iowa, for the period December 1, 1986 to May 31, 1992, at an annual rent of \$9,932.50, and

- b) RON GRUNIG, BUSINESS AND PROFESSIONAL CENTER, (new) for the use of approximately 5,000 square feet of office space located at 800 Oneida Street, Storm Lake, Iowa, for the period November 1, 1986 through October 31, 1991, at an annual rent of \$25,000, and
- c) CEDAR RAPIDS COMMUNITY SCHOOL DISTRICT, (amendment) for the use of approximately 1,426 square feet of additional office space in the building at 346 2nd Avenue SW, Cedar Rapids, Iowa, for the period October 1, 1986 through December 31, 1989, at an annual rent of \$4,647.24, and
- d) COHRON INVESTMENT COMPANY, (new) for the use of approximately 4,600 square feet of office space located near the junction of Highways 6 and 71 in the building known as "the Old Tommy Tucker", Atlantic, Iowa, for the period January 1, 1987 to December 31, 1991, at an annual rent of \$25,668.

At its meeting in June 1986, the board approved the termination of several leases as the first step in a process which was to reduce the number of area extension offices from twelve to seven. As that process continues, new arrangements will be made to provide the space necessary for the seven extension offices. The action taken here will provide for four of the offices. In each case the university considered vacant school properties as required by Executive Order No. 44. In the Cedar Rapids community, a vacant school property, already partially occupied by the extension service, was found to be able to accommodate the expanded program requirements.

The present lease with Les Nelson Investments is for space at this location in Mason City will be amended to include the additional 1,450 square feet of space need by the area extension office. The rent is to be \$6.85 per square foot per year for the new space. The lease does provide for cancellation if funding is not available for this purpose. All other terms and conditions of the present lease remain in effect.

The new lease with Ron Grundig, Business and Professional Center, will provide the space necessary for a new area extension office in Storm Lake. The 5,000 square feet is being leased at the rate of \$5.00 per square foot per year. The lease provides for cancellation if funds are not available for this purpose. The university will provide electricity, gas, and telephone. All other utilities and services will be provided by the landlord.

The present lease with the Cedar Rapids Community School District will be amended to include the additional 1,426 square feet needed to accommodate the expanded staff of an area extension office. The rental rate on the new space \$3.64 per square foot for 1,046 square feet of first floor space and \$2.21 per square foot for 380 square feet of second floor space. The second floor space will be used for storage and for temporary offices during overflow periods. All other terms and conditions of the present lease remain in effect, including a termination clause.

The new lease with Cohron Investment Company will provide approximately 4,600 square feet of office space for a new area extension office in Atlantic. The space is being leased at \$5.58 per square foot per year. The lease provides for cancellation if funds are not available for this purpose. The university will provide electricity, gas, trash removal, custodial services and telephone. All other utilities and services will be provided by the landlord.

MOTION:

Mr. Duchon moved that the board approve the following leases with landlords: (a) LES NELSON INVESTMENTS, (amendment) for the use of approximately 3,978 square feet of office space in the building at 1631 4th Street SW, Mason City, Iowa, for the period December 1, 1986 to May 31, 1992, at an annual rent of \$9,932.50, and (b) RON GRUNIG, BUSINESS AND PROFESSIONAL CENTER, (new) for the use of approximately 5,000 square feet of office space located at 800 Oneida Street, Storm Lake, Iowa, for the period November 1, 1986 through October 31, 1991, at an annual rent of \$25,000, and (c) CEDAR RAPIDS COMMUNITY SCHOOL DISTRICT, (amendment) for the use of approximately 1,426 square feet of additional office space in the building at 346 2nd Avenue SW, Cedar Rapids, Iowa, for the period October 1, 1986 through December 31, 1989, at an annual rent of \$4,647.24, and (d) COHRON INVESTMENT COMPANY, (new) for the use of approximately 4,600 square feet of office space located near the junction of Highways 6 and 71 in the building known as "the Old Tommy Tucker", Atlantic, Iowa, for the period January 1, 1987 to December 31, 1991, at an annual rent of \$25,668. Mr. Greig seconded the motion, and upon the roll being called, the following voted:
AYE: Anderson, Duchon, Harris, Greig, McDonald, Tyler, VanEkeren, VanGilst.
NAY: None.
ABSENT: Murphy.

DAIRY PRODUCTS CONTRACT - IOWA STATE UNIVERSITY RESIDENCE HALLS. The Board Office recommended the university be authorized to award its 1986-87 dairy products contract to Anderson-Erickson Dairy.

The two lowest bids received on the 1986-87 dairy products contract had a price difference of 0.2 percent. Marigold Foods, Inc. bid \$387,236 and Anderson-Erickson Dairy bid \$388,072, a difference of \$836. This \$836 difference is exceeded by the \$2,200 in price difference for chocolate milk which is directly attributable to Anderson-Erickson Dairy's bid of two percent chocolate milk as compared to a bid for skim milk by Marigold Foods, Inc. The university and the Board Office in consultation with the Attorney General's Office have determined that these bids are comparable in price and that Anderson-Erickson Dairy should be given a preference through application of new legislation, Senate File 2049.

Senate File 2049 mandates preferences for Iowa based companies and Iowa products. Anderson-Erickson Dairy has demonstrated that it is an Iowa based company and manufactures Iowa products whereas Marigold Foods, Inc. has not demonstrated that it either is an Iowa based company or manufactures Iowa products.

The new preference law mandates that the state and political subdivisions give preference in purchasing from Iowa based companies or in purchasing Iowa products. The complete statute is as follows:

The state and its political subdivisions shall give preference to purchasing Iowa products and purchasing from Iowa based businesses if the bids submitted are comparable in price to those submitted by other bidders and meet the required specifications.

In determining that Anderson-Erickson Dairy should receive preference in award of the 1986-1987 milk contract, the university requested documentation from both companies. Documentation received from Anderson-Erickson Dairy indicated that it was headquartered in Iowa, processes its dairy products in Iowa and purchases most of its raw milk from Iowa dairy farmers. In contrast, Marigold Foods, Inc. supplied information that it was headquartered in Minneapolis and processes its dairy products in Rochester, Minnesota, with an indeterminable portion of its raw milk purchased from Iowa dairy farmers. The specific information supplied by both companies was requested to be treated as confidential.

The university indicated that Marigold Foods, Inc. does sell its products in Iowa, has three offices within the state and employs several Iowans. However, its Iowa activities are distribution and sales operations and are not sufficient to qualify the firm as being Iowa based.

The university notified both Marigold Foods, Inc. and Anderson-Erickson Dairy of its recommendations. The Board Office concurred with the university's assessment and recommended that the university be authorized to award the 1986-87 contract for dairy products to Anderson-Erickson Dairy.

A statement from Marigold Food, Inc., was distributed to the board.

Vice President Madden stated he believed this was the appropriate interpretation of the legislation.

Regent VanGilst asked, if the law had not been in effect, would Anderson-Erickson have received the contract.

Vice President Madden stated, under present procurement policies, the contract would have been awarded to the lowest bidder which in this case was Marigold Foods.

MOTION: Mr. Tyler moved that the board authorize the university to award its 1986-87 dairy products contract to Anderson-Erickson Dairy. Mrs. Anderson seconded the motion, and it passed unanimously.

LEASE. The Board Office recommended that the board (1) approve a lease with Environmental Testing and Certification Corporation for the Corporation's use of approximately 264 square feet of space in the university's Iowa State Innovation System Center (ISIS), in the rooms commonly known as 203/204, for one year beginning September 1, 1986 at a rent for the term of \$1,188.12, with renewal by mutual consent for six month intervals beginning September 1, 1987; and (2) approve the modification of the standard lease used for leasing space in the ISIS Center as presented by the university.

At the June 1986, board meeting the board approved the first leases for the Iowa State Innovation System Center which is housed in the building commonly referred to as the Lab of Mechanics building. The facility houses a part of the university's efforts in providing incubation facilities and activities for business and industry in Iowa.

The Environmental Testing and Certification Corporation meets the requirements the university has for such business enterprises to receive its help. The university has entered a lease with the Corporation effective August 29.

The university has reviewed the standardized lease it submitted in June 1986 which was approved at that time for use by the university in leasing space to tenants in the ISIS Center. This review has resulted in several refinements in the lease which are designed to provide additional protection to the university and the board in case of certain events occurring that affect the relationship between the university and the tenant. Other minor modifications were made in areas such as carry-over tenants and in assuring the tenant possession of the premises leased. The changes have been reviewed in the Board Office and appear satisfactory.

MOTION:

Mr. Greig moved that the board (1) approve a lease with Environmental Testing and Certification Corporation for the Corporation's use of approximately 264 square feet of space in the university's Iowa State Innovation System Center (ISIS), in the rooms commonly known as 203/204, for one year beginning September 1, 1986 at a rent for the term of \$1,188.12, with renewal by mutual consent for six month intervals beginning September 1, 1987; and (2) approve the modification of the standard lease used for leasing space in the ISIS Center as presented by the university. Dr. Harris seconded the motion, and upon the roll being called, the following voted:
AYE: Anderson, Duchen, Greig, Harris, McDonald, Tyler, VanEkeren, VanGilst.
NAY: None.
ABSENT: Murphy.

President McDonald then asked board members and institutional executives if there were additional items to be discussed 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 September 18, 1986.

REGISTER OF PERSONNEL CHANGES. The registers of personnel changes for the months of July and August were approved as a part of the consent docket.

OTHER PERSONNEL TRANSACTIONS. The board was requested to approve the following changes in status:

Norman L. McCumey from Associate Professor to Associate Professor and Acting Head, Department of Educational Administration and Counseling, for the 1986-87 academic year at a salary rate of \$34,728.

Dr. Gregory P. Stefanich from Professor to Professor and Acting Head, Department of Curriculum and Instruction for the 1986-87 academic year at a salary rate of \$35,656.

ACTION: President McDonald stated the personnel changes outlined above were approved by general consent of the board.

PHASED RETIREMENT REQUEST. The phased retirement request of Kenneth G. Gogel, Art Department, effective August 22, 1986, was approved as a part of the consent docket.

Professor Gogel proposes to reduce his appointment to half-time until August 22, 1990. Teaching responsibilities vacated by Professor Gogel will be carried on by other faculty members. The university reported funds in the amount of \$16,185 during the first year would be released as the result of this action.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approval of the register for the period of July 10 through September 2, 1986, with the exception of deferring approval of the Mason City Public Radio Repeater Station.

Highlights of the register are as follows:

PERMISSION TO PROCEED WITH PROJECT PLANNING:

Maucker Union--Phase II (Addition)

The university requested permission to initiate planning for a 20,000 square foot addition to the Maucker Union. The addition will provide space for an expansion of the existing coffee house, a new multi-purpose room. food service, and entrance lobby for lecture events, conferences, and social activities.

The university requested authorization to proceed with the selection of an architect to assist in the project planning. The Board Office noted the university should follow proper Regents procedure in soliciting proposals for architectural consultants.

The university presented a project budget totaling \$1,900,000. The source of funds for construction of the addition would be \$1,250,000 from Maucker Union surplus funds and \$650,000 from the student activities building fund. Use of the available surplus from the Maucker Union surplus fund would result in an apparent year-end balance of approximately \$50,000. The university indicated it would expect the actual low balance for Fiscal Year 1988 to be approximately \$250,000 because of interest earnings on investments and allocations to the fund from student activity fees. The remaining \$650,000 of the project budget would be from the student activities building fund.

The university administration indicated it discussed the proposed addition to Maucker Union with student leaders, including the Student Senate and the Union Policy Board.

Power Plant Replacement

The university requested permission to initiate planning on a project that will replace the four outdated boilers at Power Plant #1. The replacement boiler capacity would be constructed at Power Plant #2. The existing boilers located near the center of campus are beyond their useful life and are no longer economical to repair.

The request is to conduct a comprehensive study of the overall power and steam generating and distribution needs of the university. The study would identify alternatives for meeting future power generation and distribution requirements and project the initial and life cycle costs associated with the alternatives. The university should confer with the Board Office in finalizing the Request for Proposal (RFP) for distribution to qualified consulting engineers.

Responses to the RFP's will be analyzed and a limited number of firms will be invited for interviews. The university will return to the board next month with a recommendation for selection of a consultant. The university estimates the cost for conducting the study at \$35,000, although the Board Office believes it may be somewhat more. The university requested oil overcharge funds to finance the utility study.

The conclusions of the study will significantly impact the future investment of millions of dollars for replacement boilers at the University of Northern Iowa. Therefore, the consultant's study should carefully address the various aspects of the university's utility requirements. A recommended solution for providing replacement boiler capacity and the estimated cost of the recommended solution are expected to be part of the consultant's study.

One project under \$250,000 presented for ratification by the board was construction of a radio repeater station near Mason City. The university reported that the \$238,000 project is to be funded through a combination of public telecommunications facilities program grant and private funds.

The Board Office recommended that approval of the radio repeater project be deferred until October. The Board Office also requested that additional information on the proposed project be provided to the Board Office before the October board meeting. Information requested includes a description of the project and its funding, a report on the status of the FCC license, and the views of Iowa Public Broadcasting Network about the project.

President Curris stated the university had agreed to deferral of the Mason City project. He said the project had been identified in a grant proposal for which funds had been received. He indicated the university was requesting permission to expend those funds. He noted he did not know what additional information the university could provide to the Board Office concerning the project.

Mr. Richey stated the Board Office had not had an opportunity to check with the Iowa Public Broadcasting Network.

Regent Anderson asked if such consultation had taken place at the time of the grant proposal.

Mr. Richey stated he was not sure, and he wanted to make sure all necessary consultations did take place.

Regent Anderson asked if now was not a little bit late and since the grant had been approved, did the university not have an obligation to spend the money.

Mr. Richey stated the board may do whatever it wished to do.

President Curris stated there had been some personality clashes on this issue. He stated the board had approved the filing of an application with several oppositions. He said the university's concern was to get the station built.

Mr. Richey stated the register had come into the Board Office on Wednesday before the docket was sent out on Friday, and the director of the unit at the University of Northern Iowa was out of town. He said the board's staff had not had opportunity to do the necessary checking. He said he did not want to open old wounds; but, if there are concerns, the board needed to know about them.

Regent Anderson stated she was willing to delay the approval, but she was concerned about the procedure.

Mr. Richey stated he did not intend to raise any question which had been agreed to previously. He noted the purpose of the deferral was to do the review necessary to make a recommendation to the board with the assurance that the board's action would be appropriate. He said if the board wished, it could approve the project conditionally.

FINAL REPORTS:

The university submitted a final report on one project. The university indicated in the report provided to the Board Office the source of funds and expenditures on this project. The final report was in order, and acceptance recommended.

The entire register is on file in the Board Office.

MOTION:

Mr. Duchon moved that the board approve the Register of Capital Improvement Business Transactions as presented and give conditional approval to the Mason City Radio Station project. Mr. Greig seconded the motion, and it passed unanimously.

ELECTRICAL INTERCONNECTION FACILITIES AGREEMENT. The Board Office made the following recommendations: (1) Approve an Interconnection Facilities Agreement between the Board of Trustees of the Municipal Electric Utility of the city of Cedar Falls, Iowa, and the State Board of Regents, for the use and benefit of the University of Northern Iowa; and (2) Authorize the Executive Secretary to execute an Electrical Interconnection Facilities Agreement on behalf of the Iowa Board of Regents.

The University of Northern Iowa negotiated an electrical interconnection arrangement with Cedar Falls Utilities. In the past few years, the Cedar Falls Utilities has made a capital investment to provide an electric power

tie line with the university. The cost of these improvements is estimated at \$100,000.

The university purchases all of its electrical service from Cedar Falls Utilities and supplements that purchase with co-generation of electricity from its own power plant. The university's co-generation capacity is inadequate to satisfy all of its electrical needs so the university would like to finalize arrangements for continued electrical interchange with the utility.

This interconnection agreement provides that the city will own, operate, and maintain the high voltage transmission lines near the university that provide the interconnection. The university would pay an annual charge amortizing the utility's cost of capital invested in the improvement. In addition, the university will pay an annual maintenance charge.

The term of the agreement is for one year, with an annual renewal option thereafter. There is a 60 day unilateral termination clause, but since the university has no alternative source of electrical service, the agreement is considered a long-term arrangement. The university would make annual payments to the city, estimated at \$14,500, under the proposed agreement.

This arrangement is not an interchange agreement and does not address the cost or quantity of electricity that is generated or provided. The agreement only addresses the physical connection between the Cedar Falls utility and the university electrical distribution system.

Discussions between the university and the utility are continuing regarding an alternative to the annual installment payment. The alternative under consideration is the single payment of approximately \$100,000 to pay the city for its investment. The ongoing maintenance fee would also need to be accommodated within a fixed payment approach. Discussion on the alternative payment has not yet been concluded. If it is determined that a one-time capital cost payment is preferable, provisions of the agreement are to be revised for approval by the Executive Secretary.

MOTION:

Mr. Tyler moved that the board (1) Approve an Interconnection Facilities Agreement between the Board of Trustees of the Municipal Electric Utility of the city of Cedar Falls, Iowa, and the State Board of Regents, for the use and benefit of the University of Northern Iowa; and (2) Authorize the Executive Secretary to execute an Electrical Interconnection Facilities Agreement on behalf of the Iowa Board of Regents. Dr. Harris seconded the motion, and it passed unanimously.

FACULTY COLLECTIVE BARGAINING. The Board Office made the following recommendations:

1. That the board approve the contract with Joseph E. Flynn for his services as chief negotiator in negotiations with the faculty and for his services in related matters at a rate of \$82 per hour until either his obligations under the contract have been satisfactorily fulfilled, as determined by the University of Northern Iowa and the Iowa State Board of Regents, or September 30, 1988, whichever is earlier; and
2. That the board appoint its management team for negotiations with the faculty members as follows:

Joseph Flynn, Chief Negotiator
Charles Wright, Regents Director of Personnel and Employment Relations, Co-Spokesman
James G. Martin, Vice-President and Provost
Robert Barak, Regents Director of Academic Affairs and Research
Roy Saigo, Dean, College of Natural Sciences
Tony N. McAdam, Head, Department of Management, College of Business
David R. Duncan, Head, Department of Mathematics and Computer Science, College of Natural Sciences

The board has employed counsel for several years to assist it in carrying out its collective bargaining and related responsibilities. The board has contracted with Joseph E. Flynn since October 1978 to secure his services as a chief negotiator and representative in bargaining and related matters with the faculty at the University of Northern Iowa.

Mr. Flynn has increased his charge from \$77 per hour in the 1984-86 agreement to \$82 per hour in the proposed agreement. This 6.5 percent increase over a two-year period is considered reasonable. Under the agreement, Mr. Flynn is reimbursed for all expenses relative to the duties he undertakes for the board. The agreement is of the same form and substance as previously approved by the board except that it will be for two years instead of one. The hourly rate will be subject to mutual agreement in the second year.

The proposed negotiating team is composed of the chief negotiator, Mr. Flynn, and four members nominated by President Curris, and two members nominated by the executive secretary.

MOTION:

Mr. Duchon moved that the board approve the contract with Joseph E. Flynn for his services as chief negotiator in negotiations with the faculty and for his services in

related matters at a rate of \$82 per hour until either his obligations under the contract have been satisfactorily fulfilled, as determined by the University of Northern Iowa and the Iowa State Board of Regents, or September 30, 1988, whichever is earlier; and the membership of the management team as outlined above. Dr. Harris seconded the motion, and it passed unanimously.

QUIT CLAIM TO ABANDONED RAILROAD RIGHT-OF-WAY TO CITY OF CEDAR FALLS. The Board Office recommended approval of the university's request to quit claim abandoned Chicago and Northwestern railroad right-of-way to the city of Cedar Falls for use as a recreational trail.

In 1985, the Chicago and Northwestern Transportation Company abandoned the railroad right-of-way running south from Cedar Falls. When abandoned, ownership of the property transferred by law to the adjacent landowners. The university's golf course is one such adjacent property.

The city of Cedar Falls, through its Department of Parks and Recreation, is planning for eventual development of the former right-of-way as a recreational trail. Property owners have been asked by the city to transfer rights to the right-of-ways to Cedar Falls.

The university has no plans to utilize the abandoned right-of-way. The university golf course will be eliminated with the relocation of South Main Street to new U.S. Highway 20.

Under Section 262.7 of the Code of Iowa, the board (subject to Executive Council approval) is authorized to dispose of land and facilities no longer needed. As the university has taken no action to receive this property, which transfers by law, and as the university has no plan to utilize the land, the university would like to accommodate the city by granting the Quit Claim Deed the city has requested. Therefore, the university requested authorization to begin proceedings to transfer ownership of the abandoned railroad right-of-way.

The quit claim appeared to be in order and was recommended for approval. Approval of the Iowa Executive Council will be requested after board action.

MOTION:

Mrs. Anderson moved that the board approve the university's request to quit claim abandoned Chicago and Northwestern railroad right-of-way to the city of Cedar Falls for use as a recreational trail. Mr. Greig seconded the motion, and upon the roll being called, the following voted:

UNIVERSITY OF NORTHERN IOWA
September 18, 1986

AYE: Anderson, Duchen, Greig, Harris,
McDonald, Tyler, VanEkeren, VanGilst.
NAY: None.
ABSENT: Murphy

President McDonald then asked board members and institutional executives if there were items to be raised for discussion pertaining to the University of Northern Iowa. There were none.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Thursday, September 18, 1986.

REGISTER OF PERSONNEL CHANGES. The registers for the months of July and August 1986 were approved as a part of the consent docket.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The register for the months of July and August contained no transactions.

RENEWAL OF AGREEMENT. The Board Office made the following recommendations: (1) That the board approve the tentative agreement between Iowa School for the Deaf and the Leavenworth Physical Therapy Clinic, Inc., for the provision of physical therapy services by Leavenworth for selected students at Iowa School for the Deaf for a minimum of nine hours per week for 31 weeks at a rate of \$25 per hour, and (2) That the Superintendent of Iowa School for the Deaf be authorized to execute the agreement on behalf of the board. This agreement was approved as a part of the consent docket.

This agreement is the eighth in a series of one-year contracts between Iowa School for the Deaf and Leavenworth which began in 1979. The agreement calls for the services of a registered physical therapist, licensed by the state of Iowa, for a minimum of nine hours per week for 31 weeks for the purpose of evaluating students and providing direct physical therapy.

The superintendent indicated it is anticipated nine hours per week will meet the school's needs but at this time is not certain of the number. Hence, he asked permission to alter the utilization as need requires but not to exceed the maximum of \$9,200 contained in the school's Chapter I budget for this purpose. Reports will be provided by the therapists for the state of Iowa and the staff of Iowa School for the Deaf. Therapists will be available for conferences with parents, as necessary.

Iowa School for the Deaf notes that most of the funds for these services are available within the Chapter I funds for the school. The anticipated cost of the proposed contract (31 weeks, minimum of nine hours per week, \$25 per hour) would be \$6,975 for the fiscal year. The hourly rate of \$25 is the same as last year's rate.

IOWA SCHOOL FOR THE DEAF
September 18, 1986

President McDonald then asked board members and institutional executives if there were other items to be raised for discussion concerning the Iowa School for the Deaf.

Mr. Richey stated the culmination of the search for the superintendent of the Iowa School for the Deaf was expected in December with interviews by the board of the finalists. He indicated the interviews could take place at Iowa State University on December 16, the day before the December board meeting.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Thursday, September 18, 1986.

REGISTER OF PERSONNEL CHANGES. The registers for the period June 29 to July 26, 1986, and July 27 to August 23, 1986, were approved as a part of the consent docket.

LETTER OF ACCREDITATION. The Board Office recommended the board receive the report on accreditation of the Iowa Braille and Sight Saving School. The board received this report as a part of the consent docket.

There was a joint North Central Association/National Accreditation Council/Department of Public Instruction Site Visit at the Iowa Braille and Sight Saving School last spring. The board previously been advised of the subsequent actions by the North Central Association and the Department of Public Instruction.

The Iowa Braille and Sight Saving School has been notified that, at its June 20-21 meeting, the National Accreditation Council's Commission on Accreditation reaccredited the Iowa Braille and Sight Saving School for five years through December 31, 1991. This is the maximum award of accreditation allowable under the commission's policies.

The Commission on Accreditation found that the Iowa Braille and Sight Saving School substantially met NAC standards for quality services to the blind and visually handicapped persons. The report goes on to note the progress in response to its 1981 recommendations. The commission also noted that the school needed to take various actions toward further program improvement such as to coordinate its student evaluation procedures; review, refine, and evaluate the curricula approach utilizing the multi-handicapped program; develop a process for inter and intra-departmental coordination; continue to develop a public information system; develop a comprehensive career development program; and ensure that the safety concerns addressed in the on site review report are remedied. The board previously requested that the recommendations of the three accrediting/compliance organizations be reviewed by the IBSSS Advisory Committee and that the committee make recommendations regarding implementation. The committee will be meeting in October for this

purpose. The school should be congratulated for achieving this accreditation.

APPEAL OF DECISION TO NOT EMPLOY A DIRECTOR OF EDUCATION. The Board Office recommended the board deny the appeal of the decision of President McDonald to not fill the position of Director of Education at the Iowa Braille and Sight Saving School.

In April, the Board of Regents adopted a three-phase process for reassessing the financial situation at each of the two special schools. This three-phase process included the imposition of a series of recommended procedures to eliminate unnecessary expenditures and to ensure that current decisions were made with regard to the longer term reductions and reallocations that may be possible. (A hiring freeze on all budgeted positions and vacated positions to be filled only with written approval of the superintendent and the board president or the president's designee; any remodeling expense or equipment purchase over \$500 approved in advance by the superintendent and the president or designee, etc.).

In June, Superintendent DeMott requested authorization to proceed with advertising and recruitment for filling the position of Director of Education. In July, Superintendent DeMott was notified by Mr. Richey that, after consultation with President John McDonald, it was concluded that the position of Director of Education should remain vacant during the 1986-87 school year.

On July 25th, Superintendent DeMott wrote to Mr. Richey appealing the decision of President McDonald regarding the Director of Education position.

The rationale for decision to not fill this position for the 1986-87 year is related to the need for the institution to reduce expenditures in line with the general process of review and reduction approved by the board in April. With continuing declining enrollments and increasing expenditures, it is necessary for the institution to reduce its expenditures. Given the very small enrollment at the school, 58 (Fall 1986), and the typical school administration needs for such a small population, it would seem to be easily within the span of control for the superintendent to undertake the responsibilities of the Director of Education. It may be possible also to distribute some of the responsibilities of the Director of Education to other personnel at the school. At the present time there are five administrative positions at the school. The size of this staff appears excessive when compared to that of an average elementary or high school containing hundreds of students.

It should be noted that during discussions with the Board Office regarding possible reorganization of the administrative staff, Superintendent DeMott has proposed a reduced administrative staff made up of the "Superintendent, Director of Business and Personnel, Director of Education, Director of Student/Home Services and Administrative Assistant for Programs". However,

the administrative structure is under review as a part of the development of the budget request for fiscal year 1988 and the long-range plan of the institution. These proposals will be presented to the board later this fall.

Regent Harris stated he and the other board members had had an opportunity to read the material submitted with the docket and to review the minutes of the April board meeting and felt no further discussion was necessary.

MOTION: Dr. Harris moved that the board deny the appeal of the decision of President McDonald to not fill the position of Director of Education at the Iowa Braille and Sight Saving School. Mr. Tyler seconded the motion, and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approval of the register for the period of July 1 through August 31, 1986.

Highlights of the register are as follows:

CHANGE ORDERS TO CONSTRUCTION CONTRACTS:

The following change order was approved by the school and was presented for the board's ratification.

Drainage Improvements and Cistern Abandonment I

Bob Helms Grading, Vinton, Iowa

Change Order #1

Increase \$1,502.16

The school requested the board's ratification of a change order on the Drainage Improvement project. The change order involves installation of additional piping and a new manhole to drain surface water between Rice Hall and the Physical Education building. The modification is needed to eliminate the build-up of water and ice on the sidewalk and street in the winter. The amount of the change order is based on the same contract unit prices included in the original \$26,598.18 contract.

The change order requires no increase in the \$35,000 project budget. Favorable bids in May permit the school to incorporate the installation of the additional drainage piping within available funding.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS:

The institution reported completion of the Drainage Improvements and Cistern Abandonment project. Inspection of the work by the contractor, representatives of the school, and Shive-Hattery, the consulting engineers, found that the contractor complied with plans and specifications. The institution recommended that the work be accepted as completed.

IOWA BRAILLE AND SIGHT SAVING SCHOOL
September 18, 1986

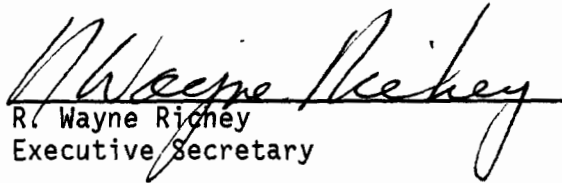
The entire register is on file in the Board Office.

MOTION:

Mrs. Anderson moved that the board approve the Register of Capital Improvement Business Transactions as presented. Miss VanEkeren seconded the motion, and it passed unanimously.

President McDonald then asked board members and institutional executives if there were other items to be raised for discussion pertaining the Iowa Braille and Sight Saving School.

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 3:25 p.m. on Thursday, September 18, 1986.


R. Wayne Richey
Executive Secretary