

C O R R E C T E D

The State Board of Regents met on Wednesday, September 20 and Thursday, September 21, 1989, at the University of Northern Iowa. The following were in attendance:

	<u>September 20</u>	<u>September 21</u>
<u>Members of State Board of Regents</u>		
Mr. Pomerantz, President	All sessions	All sessions
Mr. Berenstein	All sessions	All sessions
Mr. Fitzgibbon	All sessions	All sessions
Ms. Furgerson	All sessions	All sessions
Mr. Greig	All sessions	All sessions
Ms. Hatch	All sessions	All sessions
Mr. Tyler	All sessions	All sessions
Ms. Westenfield	All sessions	All sessions
Mrs. Williams	All sessions	All sessions
<u>Office of the State Board of Regents</u>		
Executive Director Richey	All sessions	All sessions
Deputy Director Barak	All sessions	All sessions
Director Carter	All sessions	All sessions
Director Eisenhauer	All sessions	All sessions
Director Volm	All sessions	All sessions
Director Wright	All sessions	All sessions
Compliance Officer Maxwell	All sessions	All sessions
Assistant Director Hudson	All sessions	All sessions
Assistant Director Peters	All sessions	All sessions
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Rawlings	All sessions	Excused
Vice President Phillips	All sessions	Excused at 11:32 a.m.
Vice President Vernon	All sessions	Excused at 11:32 a.m.
Treasurer True	All sessions	Excused at 11:32 a.m.
Associate Vice President Small	All sessions	Excused at 11:32 a.m.
Assistant to President Mears	All sessions	Excused at 11:32 a.m.
Assistant Vice President Rhodes	All sessions	Excused at 11:32 a.m.
Director Grady	All sessions	Excused at 11:32 a.m.
<u>Iowa State University</u>		
President Eaton	All sessions	Excused at 11:35 a.m.
Provost Glick	All sessions	Excused at 11:35 a.m.
Vice President Madden	All sessions	Excused at 11:35 a.m.
Treasurer Thompson	All sessions	Excused at 11:35 a.m.
Assistant to President Bradley	All sessions	Excused at 11:35 a.m.
Assistant Vice President Pickett	All sessions	Excused at 11:35 a.m.
Interim Director Anderson	All sessions	Excused at 11:35 a.m.
<u>University of Northern Iowa</u>		
President Curris	All sessions	All sessions
Provost Marlin	All sessions	All sessions
Vice President Conner	All sessions	All sessions
Vice President Follon	All sessions	All sessions
Exec. Ass't. to Pres. Stinchfield	All sessions	All sessions
Director Geadelmann	All sessions	All sessions
Director Chilcott	All sessions	All sessions
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	Excused at 12:06 p.m.
Business Manager Aherns	All sessions	Excused at 12:06 p.m.
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	All sessions	Excused at 12:08 p.m.
Director Hauser	All sessions	Excused at 12:08 p.m.

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The following business pertaining to general or miscellaneous business was transacted on Wednesday, September 20 and Thursday, September 21, 1989.

President Pomerantz welcomed State Senator Joy Corning and State Representative Marvin Diemer to the meeting.

APPROVAL OF MINUTES OF BOARD MEETING, JULY 25-26, 1989.

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

ACTION: President Pomerantz stated the Minutes of the July 25-26, 1989, meeting were approved by general consent.

REPORT OF ORGANIZATIONAL AUDITS. (a) Funding Analysis Report. The Board Office recommended the Board receive a summary of the final report on funding analysis.

The purpose of the consultant's report is to address concerns regarding the equity of funding for undergraduate education among the Regent universities. Particularly the University of Northern Iowa has expressed the perception that it has been disadvantaged of its emphasis on undergraduate education for Iowa residents.

The consultant concluded that the process used by the Board of Regents provides for equitable treatment of the three Regent universities. The consultant supported the unit cost study which is conducted every other year as well as the recent changes made in the methodology for developing the unit cost of instruction.

Comparisons regarding the level of funding of institutions in the peer states suggest that Regent universities may be at a disadvantage relative to the level of unrestricted funds supporting them.

The report contains four general recommendations:

1. The Board should support the Board Office position regarding equity funding.

2. The Board should reject the arguments for disadvantaged funding because of non-resident tuition differentials.
3. The Board Office, together with the university, should develop the appropriate comparison group and maintain comparative data.
4. The universities should continue to move toward financial reporting definitions that are consistent with GAAP and IACPA guidelines.

President Curris stated that University of Northern Iowa had no involvement in this study. Peat Marwick officials did not consult with anyone at the university. They focused on the Board's recommendation process which was not the concern of the university. He asked that the record indicate that even though Peat Marwick officials were supposed to look at the university's needs no one at the University of Northern Iowa was involved in the study.

ACTION: President Pomerantz stated the Board received a summary of the final report on funding analysis by general consent.

(b) Planning Processes for the Board. The Board Office recommended the Board receive the report by Peat Marwick and Main, Inc., on the recommended strategic planning process and adopt the strategic planning process proposed by Peat Marwick with the additions recommended by the Board Office.

Peat Marwick submitted the final report on the proposed strategic planning process for the Board of Regents. Peat Marwick also prepared a separate report on planning for each of the universities.

The proposed strategic planning process consists of eight steps that involve broad institutional involvement in the development of a Board of Regents "plan." The process is developed with an emphasis on process and a de-emphasis on official planning documents.

The proposed process is an annual process that begins in September and ends in April of each year.

A parallel planning process has been proposed for the Iowa School for the Deaf and Iowa Braille and Sight Saving School.

The proposed process does not describe to any significant degree the relationship between institutional planning and Board of Regents planning; nor does it show how the process is to culminate in a Regent-wide strategic plan. Some recommendations from the Board office as to how this gap might be filled are enumerated below:

After completing the steps proposed by Peat Marwick & Main which will result in the selection of strategic issues, the Board Office recommends that additional steps be taken to expand the process to include:

1. The development of institutional and Regent-wide plans within the context of the strategic goals.
2. The submission of plans to the Board staff for review and docketing.
3. The review and approval of plans by the Board.
4. The development of a Regent-wide plan and its submission to and approval by the institutions and the Board.
5. The review of plans in light of Board budget considerations.
6. The Board mandate to implement the approved institutional and Regent-wide strategic plans.

Director Carter stated the Board Office built upon the process recommended by Peat Marwick to allow for expansion, including development of the Regentwide strategic plan.

Regent Hatch asked if the special schools operate under the standards of the Department of Education. Mr. Richey said the special schools do operate under the standards of the Department of Education.

Regent Hatch referred specifically to Code of Iowa sections 280.12 and 280.18, and asked if strategic planning at the special schools must follow steps outlined in those sections of the Code. Director Barak said the two special schools are in compliance but do not follow the same procedure as schools which are governed by the Department of Education. Specifically, officials of the special schools do not have to solicit community input for their strategic plans. However, both Iowa School for the Deaf and Iowa Braille and Sight Saving School will include this aspect of planning in their processes.

Regent Hatch suggested the Regents should seek clarification from the Department of Education on the special schools' requirements. Director Barak said he felt the Board could choose to follow the Department of Education procedure but it was not actually required to follow those procedures.

Regent Williams felt it might be possible to build community input into the process and still follow the Regents' strategic planning to attain the best of both worlds. Mr. Richey said staff would study that possibility.

President Pomerantz said the point should be made that the special schools never had a planning process before now. With the adoption of the recommended

action they would begin the process. There will probably be need for modification of the recommendations. He stressed that the recommendations were not cast in stone. He suggested they could adopt the recommended action and have staff return with a proposal for incorporating the Code's process and any other changes.

Regent Berenstein said that if the policy is broad enough to begin with they could continue to make refinements.

Regent Hatch suggested that Step 2, Identifying Issues, could be broadened to indicate in the case of the two special schools that they would get community input.

MOTION:

Regent Williams moved to receive the report by Peat Marwick and Main, Inc., on the recommended strategic planning process and adopt the strategic planning process proposed by Peat Marwick with the additions recommended by the Board Office and the amendment discussed at this meeting regarding community input for the special schools. Regent Furgerson seconded the motion, and it carried unanimously.

(c) Planning Processes for the Institutions. The Board Office recommended the Board refer this matter to the individual institutions and Board Office for review and recommendations.

Peat Marwick has completed the reports on the strategic planning and management processes at the University of Iowa, Iowa State University and University of Northern Iowa. For each institution, Peat Marwick presented a "model" planning process which incorporates the major planning strategies outlined in the current body of planning literature. The process presented to each institution is an eight-phase planning strategy to be implemented over a three- or five-year period. (There are inconsistencies in each report related to the actual recommended length of the planning cycle.) The cycles begin in September of each year and end the following April.

An additional stage of development was incorporated into the planning process proposed for the University of Iowa which give this institution the leeway to complete its current strategic planning process and develop institutional objectives for a gradual integration of the current planning efforts into the eight-phase strategy suggested by Peat Marwick.

In addition to the eight-phase process proposed, Peat Marwick officials recommended the implementation of a strategic issues management process set up to operate concurrently with the eight-step planning process. The strategic

issues management process is designed to provide a continuous internal and external environmental scanning mechanism which would identify issues of institution-wide concern that would need to be addressed within the context of the planning process.

The overall process described by Peat Marwick is designed such that strategic planning will be a continuous and integral part of the universities' decision-making processes.

ACTION: President Pomerantz stated the Board referred this matter to the individual institutions and Board Office for review and recommendations by general consent.

(d) Processes for Program Review. The Board Office recommended the Board receive the report and refer to the Board Office for review and the development of recommendations in consultation with the universities.

The KPMG report on Program Review contains nine recommendations, encompassing such areas as clarification of purpose, differentiated approval levels, role of the Interinstitutional Committee, increase Board staff, program inventory, and revised procedures.

ACTION: President Pomerantz stated the Board received the report and referred to the Board Office for review and the development of recommendations in consultation with the universities by general consent.

(e) Length of Time for Undergraduate Degree. The Board Office recommended the Board receive the report and refer to the Priority Issue study group on Undergraduate Education for review and comment at a future Board meeting.

This KPMG report addresses the "Length of Time to Complete an Undergraduate Degree". The report notes that graduation in four years is no longer the norm at large public universities.

Iowa universities compare favorably with national and peer data. Numerous extra institutional and personal factors have contributed to the patterns for completing degrees.

University practices with respect to course offerings and major availability, admission standards, transfer credits, and other administrative practices do not pose impediments beyond the rigors of the academic program.

KPMG made recommendations in six areas that are aimed at improving the overall degree completion time problem.

Regent Tyler said he hoped that the comments that 4 years is no longer the norm and that peer institutions data is similar is not an attempt to justify the situation at Iowa's Regent universities. Regent Williams assured the Regents that the Priority Issue Study Group will study the matter closely.

President Pomerantz said the fact that someone says 4 years is not typical does not mean the Regents have to accept that. He felt they could lead the country in this area if they chose to.

ACTION: President Pomerantz stated the Board received the report and referred to the Priority Issue study group on Undergraduate Education for review and comment at a future Board meeting.

(f) University of Northern Iowa Physical Plant Studies. The Board Office recommended the Board receive the Peat Marwick Main and Company report on the Physical Plant at the University of Northern Iowa with university responses.

The report confirms the deficiency in operating funds for physical plant, the backlog of deferred maintenance, and the importance of continuing the development of prevention and predicted maintenance programs. The study makes 11 recommendations to address problems, issues and concerns at the University of Northern Iowa.

ACTION: President Pomerantz stated the Board received the Peat Marwick Main and Company report on the Physical Plant at the University of Northern Iowa with university responses by general consent.

(g) Research Productivity. The Board Office recommended the Board refer this matter to Iowa State University and the Board Office for review and recommendations, and report back to the Board at a later date.

Peat Marwick completed its review of research productivity at Iowa State University. The report focuses on a management perspective on research productivity rather than on measurement criteria; i.e., how to better manage research efforts rather than how to measure them.

The consultants praise recent efforts to strengthen the university's research activities but find much more needs to be done to raise the university's standing as a research institution to the level of its peer institutions.

Specific recommendations relate to:

- * More coordinated, centralized planning and control of the university's many diverse research activities
- * More technical and administrative support services for researchers
- * Enhanced incentives to stimulate faculty research productivity

Regent Fitzgibbon asked if there is ample money in the budget to do the types of research activities they would like. Provost Glick said university officials did not have enough money for that purpose.

Regent Fitzgibbon asked how many dollars it would take to do that. Provost Glick said university officials would provide that information.

ACTION: President Pomerantz stated the Board, by general consent, referred this matter to Iowa State University and the Board Office for review and recommendations, and report back to the Board at a later date.

INSTITUTIONAL RESPONSES ON UNNECESSARY DUPLICATION IN TARGETED AREAS. The Board Office recommended the Board receive the reports from the individual universities regarding responses to the Peat Marwick (KPMG) recommendations on unnecessary duplication in targeted program areas.

President Eaton said there was a substantially large number of people present on behalf of Iowa State University. In the interest of the Regents' time he asked Provost Glick to utilize most of the time assigned to Iowa State University to summarize their positions on the issues. He noted that the persons present from outside the university were there only to answer questions.

Provost Glick stated the Board decisions on the targeted programs are very important to university officials. They made extended remarks in June and he would try not to be too redundant. The Regents had heard from constituents around the state. He noted there were students, faculty, deans and department administrators present as well as a number of people representing diverse constituencies. He introduced those persons. Provost Glick said those constituents he introduced came from throughout the state to this meeting because of the significance they place on the decision the Board of Regents will make.

Provost Glick stated university officials had already adopted many of the recommendations in the organizational audit studies. At this meeting they were only dealing with the duplication study. He said he did not believe the

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specific recommendations are in the state's best interest. He does believe the study has made visible a number of important issues. University officials will be offering alternative proposals. They concur with the Board of Regents' commitment to focus resources. They appreciate and concur with the general Peat Marwick observation that Iowa's system of higher education is lean and much admired.

Provost Glick referred to areas of differentiation between Iowa State University and the University of Iowa. Iowa State University is a land grant university. There are similar names of programs between Iowa State University and University of Iowa although there are subtle differences in their programs. Iowa State University's undergraduates are more task oriented and purposeful. Iowa State University tends to serve a student with a slightly different background. Their motto of "Science with Practice" could be redefined as "Education for a Purpose". University officials believe their programs meet the needs of the students. He said the "overlap pool" of students is not as large as some might suspect. Last year Iowa State University officials received 18,000 ACT scores from students who might come to the university. Only 40 percent also sent their scores to the University of Iowa. He stressed that 60 percent of those students did not include the University of Iowa as an option for them. The number of "overlaps" with the University of Northern Iowa is even smaller.

Provost Glick felt that if students don't have a choice of universities it would be a reason for them to leave the state. He noted that was an especially important consideration since there is a net migration of Iowans. They must ensure the economic health of Iowa.

Provost Glick referred to the cost analysis and said he recognized it is an art and not a science. University officials found the study most revealing. University officials did not do the analysis by asking the individual colleges what would happen financially. He asked Ms. Pickett and Ms. Stanley to perform the analysis, with input on the cost of program closing and the assistance of an extension economist. University officials used the Peat Marwick projection on student losses. They discovered the critical need for careful program screening and appreciate the efforts the Board of Regents has made over the years in careful screening. University officials also identified the likely alternative majors for students who stayed at the university, and the cost for absorbing those additional students into other programs. They tried to be realistic so as not to over estimate. Even at that, university officials found there would be a net deficit at the end of 5 years. It became clear to university officials from their cost analysis that programs to be eliminated should be either programs with limited demands, high costs or poor quality, or programs which require major investments of new funds. He said the study reaffirms that the most effective way to reallocate resources is through an ongoing planning process. The ongoing planning process

on the Iowa State University campus assures that will be done. They are also creating the position of associate provost for planning.

In regard to the recommendations concerning Journalism, Provost Glick said the Iowa State University journalism program is the oldest journalism program in the state. It serves 700 students. Many of those students remain in Iowa. Iowa State University's journalism program is highly differentiated from the University of Iowa's journalism program. The Iowa State University program is practitioner oriented. It has produced three Pulitzer Prize winners. Sixty-nine percent of the undergraduates are women. The presence of women on campus is only 40 percent. Therefore, the elimination of this program would have an adverse impact on affirmative action. All journalism majors are required to earn a second major. University officials, through their strategic planning process, will be reorganizing the Department of Journalism to combine it with telecommunicative arts. They recommended that with Board support of the journalism program the Masters program be strengthen and focused.

In regard to the Peat Marwick recommendations concerning Industrial Engineering, Provost Glick stated that industrial engineering is rapidly becoming the fifth core discipline in engineering. Iowa State University has the fourth largest undergraduate program in the nation. It serves 550 students, many of whom stay in Iowa. Many U.S. industries single out Iowa State University's engineering program as a place to recruit. Iowa State University's industrial engineering program just received full reaccreditation. He said Peat Marwick officials had several concerns about the Iowa State University program. One concern was that the industrial engineering program is too business oriented; that it is serving potential business majors. Provost Glick said the false part of that is that there has never been enrollment management in the business college until only recently. The other false part is that students who can't get into the business program are unlikely to do well in the calculus in engineering course. The truth of the concern deals with human resources management and management techniques. The other concern expressed by Peat Marwick officials regarding the Iowa State University industrial engineering programs is that it had a number of non-Ph.D. engineers on the faculty. That was true two years ago but that has been dealt with under the leadership of the new dean of engineering and as part of the total reorganization. University officials have agreed the program should be redirected toward manufacturing systems.

Provost Glick referred to the Peat Marwick recommendations regarding the Doctoral Program in Education. He said no field is more important to the future of the state and nation. They must ensure that undergraduates and teachers have access to the greatest minds. National studies indicate that most school administrators have Ph.D.s. He said there will be 1,200 school administrators replaced in the next decade in Iowa. Of the 143 Ph.D.s granted in the last 4 years, 50 percent were to women and 18 percent were to

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minorities. The Iowa State University program particularly serves western Iowa. University officials recommend deemphasizing guidance counseling.

In regard to the Peat Marwick recommendations concerning the Iowa State University Industrial Education Technology program, Provost Glick said they serve 300 undergraduates and have the only Ph.D. program in the state. The Iowa State University Ph.D. program is ranked fifth in the nation. He stressed that their program differs from that of the University of Northern Iowa. He believed there was much to be done to enhance research. He asked the Board to approve a study to be done jointly with the Board Office, with a report back in six months with recommendations.

Regent Tyler referred to Provost Glick's statement that 40 percent of the students who have their ACT scores sent to Iowa State University also send them to the University of Iowa. He asked for a breakdown of resident versus non-resident. Provost Glick said university officials will get that information to all the Regents.

Regent Williams referred to Provost Glick's request for time for the joint study, and asked if he was recommending institutional representation from the University of Northern Iowa and the University of Iowa, as well as the Board Office. Provost Glick said they were not requesting that but if officials of the other two universities wished to join in the effort Iowa State University would welcome them.

Provost Glick said university officials have received the strategic long-range planning committee recommendations regarding the industrial technology program. University officials still have concerns about what that department should do. Professor Dugger has been chair of that department for 3 months. He is nationally recognized for research in the area and has been building a plan on how the department could focus its efforts and work with the community colleges. He did not believe they were in a position to know how the department would be shaped. He asked that they give the department a chance to reshape its future.

Regent Hatch stated she read in a recent publication of the industrial education profession that the need for industrial education teachers nationally is projected to be flat and Iowa was included in that projection. She asked about the current status of Senate File 449.

Professor John Dugger said the legislation was signed June 1, 1989. It requires industrial technology experiences of all junior high students. At the present time 60 percent of the students receive industrial technology experience. In the high schools the requirement is for three sequenced courses.

Provost Glick stated that a recent study indicates that one-third of Iowa industrial technology teachers will soon reach retirement age.

Professor Holger, President of the Iowa State University Faculty Senate, said he spoke on the issue of program duplication in June. At that time he had to speak after consultation with only the faculty executive board. His remarks have now been formally endorsed by the faculty. He said the Board of Regents, faculty, staff and administration have made a commitment to high quality universities that meet the educational needs of Iowans. He felt the duplication issue has been blown out of proportion. Much good is coming from the audits and those studies are not receiving the attention given to the duplication audit. The consultants endorsed that the system of higher education in Iowa is streamlined. He felt the arguments by Peat Marwick were concerned more with apparent duplication rather than substantive unnecessary duplication. He stressed that much has been accomplished even at this point. He referred to accessibility of quality programs to Iowans. All the programs recommended for elimination are in demand by Iowa residents. All have a relatively high proportion of students that remain in Iowa after graduation. Universities are experiencing an increasing demand from non-traditional students which increases the demand for multiple locations. He said Iowa State University officials are engaged in reorganization in response to the Board, Peat Marwick and strategic planning. Faculty recognize the need for change. They expect and believe the Regents will weigh carefully the evidence and consider program quality, demand and effectiveness as well as duplication.

President Eaton stated that many months ago the Board of Regents made the decision to embark on the organizational audits. It has been a very comprehensive, thorough look. There were 35 different individual studies Peat Marwick undertook. He said an unfortunate aspect is that most people focus on the issue of duplication. In his view, while there is great value in the duplication study there has also been enormous value in many of the other studies. The public has lost sight of that fact. Among the 6 studies of Iowa State University 3 were found to be of considerable help. Those were staffing analysis, research productivity and faculty workload. Quality of higher education was the issue. The Regents wanted to be able to convince the public it had a very efficient, effective and high quality system. The duplication studies caused officials of all three universities to examine themselves and reflect on what they are doing. They have benefitted from all of this. He said he believed the total cost of the 35 studies was \$1-1/2 million. The changes those dollars affected make it a very worthwhile expenditure. He referred to the proposed budget that came out of the Legislative Higher Education Task Force for the creation of a body to oversee all three sectors of higher education. In three years' time they will have spent as much money on the newly-created body as the Regents have spent on the organizational audits. He said the Regents should not be embarrassed about the cost of the study.

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Vice President Vernon stated that the University of Iowa College of Engineering within the last 1-1/2 weeks voted to deemphasize materials engineering and eliminate the Center for Materials Research. He indicated, however, that instruction in the materials area would continue to be needed. They proposed the undergraduate program should be downsized from 1,329 to 1,000. The dean asked for reactions and only received one letter in opposition to the proposal.

Professor John Beddow and Assistant Professor David Luerkens made a joint presentation. Professor Beddow said he was beginning his twenty-second year as a University of Iowa faculty member. In 1984 Assistant Professor Luerkens came back to Iowa to accept the faculty position. They are both extremely concerned about the future of the engineering program. Engineering is based on materials and energy. The materials engineering program is unique and is not duplicated at any other U.S. university. They referred to the 5-year long-range planning report -- 1986-1991. They are half way into that cycle. Engineering officials resisted for many years earlier attempts to deemphasize materials engineering.

Professor John Penick said he joined the University of Iowa in the field of science education. The University of Iowa is #1 in the world in this field. He said Iowa has a national reputation for education. A nationwide report states students are not competing well internationally. He felt the University of Iowa could be part of a national solution. Iowans have long valued education. University of Iowa gets excellent students desiring to be teachers. It is said this country is approaching a shortage of teachers as well as massive shortages of science teachers. Many of Professor Penick's graduates are employed in positions where they are paid an additional \$3,000 because they are science teachers. He stressed that now is the time to support, enhance and enlarge teacher education. There have been 200 Ph.D. graduates in Professor Penick's department in the last 20 years. Many of the undergraduates come to the University of Iowa to become teachers because they want to become the best possible science teachers. He felt that one mark of the quality of the program is the distance students come from. They get very solid students and are able to ask more of them. Half of the students have their Master's degrees at the time they graduate. These are the people we want to say are graduates of our state universities. He cautioned against reducing numbers with the idea that reducing numbers is the goal. He stressed that they should think "quality" at every step.

Regent Hatch asked Professor Penick what he was specifically arguing against. Professor Penick said he was concerned about reducing the number of undergraduates. In his area of teacher education they must have undergraduates. The graduates are learning to be teacher educators and the undergraduates are their "labs". They must have a solid undergraduate base.

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Associate Professor Carolyn Lara-Braud, Chairperson of the University of Iowa Department of Home Economics, stated the department was established in April 1913. Enrollment data shows that the faculty generates over 5,000 hours in the teaching of non-majors. Students taking courses offered by the Department of Home Economics include students from the College of Nursing, dental hygiene, aging studies, undergraduate and graduate students in the College of Education, and the College of Liberal Arts. The consultant's report to Peat Marwick Main officials suggested a cost savings of two full-time faculty. The final report of Peat Marwick Main recommended home economics at the University of Iowa should be dissolved and the college should find other ways of curricular support. The primary reason given by the auditors was the unit does not have the resources required for a comprehensive home economics program. The Department of Home Economics has been downsized in the last 5 years. They now have a basic core curriculum which serves the needs on campus. At the end of the year the department will lose two more faculty members through retirement and resignation; therefore, closing the unit now will no longer result in a cost savings.

Dean Loewenberg said home economics had 15.6 FTE in 1984-85 and will have only 6.7 FTE next year as a result of refocusing the mission of the department. There were previously 6 curriculum options; now there are only two. The department continues to enroll a substantial number of students from other fields. A major reorganization of the department led to an emphasis on the education programs distinctive to it. He said that if the department closes there would be a continuation of obligations to students currently enrolled as well as obligations to other parts of the university. These would include tenure and contractual obligations. 100 to 200 students would be adversely impacted. Other offerings would be phased out in a period of 3 years. Administration of the college is prepared to deal with those possibilities.

Regent Williams asked how departmental officials would accommodate the College of Nursing and other colleges that require the department's coursework. Associate Professor Lara-Braud said the department would continue to offer those courses.

Regent Williams expressed concern that in the hope of eliminating duplication if the usage of the department by non-majors would continue then they may not have really saved much.

Regent Hatch asked when the department was last accredited. Associate Professor Lara-Braud said the University of Iowa Department of Home Economics did not seek accreditation until about six years ago. At that time they had 20 faculty members and 9 program options. They applied for and were granted accreditation. During the last 5 years they have been reorganized and downsized to the point they no longer offer a comprehensive home economics program. In light of that, departmental officials requested voluntary withdrawal of their accreditation.

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Regent Hatch asked if the lack of accreditation affects in any way their educational program. Ms. Lara-Braud responded that accreditation by an accrediting body has nothing to do with teacher certification. It also has no effect on the offering of courses to non-departmental majors.

President Curris stated that on the following day University of Northern Iowa officials would make their initial responses to the Peat Marwick recommendations. However, he asked Provost Marlin to make some comments relative to the audit process and strategic planning.

Provost Marlin said that at this time she would take a step back from the specific recommendations to address the larger question of program duplication in Iowa and the long-term effects of the consultant's recommendations. She said the critical issue is whether the institutions are providing quality distinctive educations. They need to address how they are positioned to meet the future educational needs in the state. It appeared to her that Iowa has three distinct state universities: the University of Northern Iowa is the state's teaching university; the University of Iowa is one of the nation's outstanding research universities; and Iowa State University is a leading land grant university. The missions of the three institutions are not and should not be mutually exclusive.

Provost Marlin said she came to the University of Northern Iowa because she wanted to be in a public university that took undergraduate education seriously. The quality of the University of Northern Iowa's undergraduate program attracts many of its students. This quality needs to be considered in the review of program duplication. University of Northern Iowa offers small class sizes and uses virtually no teaching assistants. Students work individually with faculty on research. All the undergraduates at University of Northern Iowa participate in the university's general education program. Provost Marlin said she met with students in the honor society. When she asked why they chose University of Northern Iowa the most frequently given response was the quality of the programs and the size of the university.

Provost Marlin stated they must offer educational choices and opportunities for students. Elimination of a program means elimination of educational opportunities. Most of the Ph.D. students are employed; moving to continue their education is not a consideration. They are serving an increasing number of non-traditional students.

Although university officials do not endorse the Peat Marwick recommendations regarding University of Northern Iowa, Provost Marlin said the organizational audit has set in place many processes in the university that will serve to strengthen it. There is a serious strategic planning effort. The Home Economics department is using recommendations from the last accreditation visit as well as the Peat Marwick consultants. Many recommendations have already been implemented by university officials. The organizational audit

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effort forced University of Northern Iowa to make a close examination of itself.

Provost Marlin said she was very proud to be in Iowa. Iowans are not content with a good educational system but desire to improve the systems for the future. She expressed her commitment to maintaining and improving the academic quality of programs at the University of Northern Iowa.

President Pomerantz addressed the process. The Board will hear University of Northern Iowa officials' response the following day and will continue to deliberate. The Board Office is requested to forward recommendations in early-October regarding the 5 main recommendations for dealing with the duplication issue. The Regents will attempt to conclude the issue around the 5 main recommendations on duplication at the October meeting. He said there is also a parallel study regarding the 8 or 9 other areas of concern that Peat Marwick defined. Those individual studies are now proceeding. The Board will also deal with those at the October meeting by way of inviting of comments from constituencies. They will perhaps conclude those 8 or 9 studies in November.

The following comments on this docket item were made on September 21, 1989.

President Curris thanked the students, faculty and staff for their presence and support. He told them that the Board of Regents had been on the University of Northern Iowa campus for two full days and had addressed some major issues. He said University of Northern Iowa officials were very pleased with the Board's responsiveness to their needs.

President Curris said that in making the University of Northern Iowa presentation there would be an opportunity for those persons from the university who would be adversely affected by the Peat Marwick recommendations on program duplication to address the Board members. He said the Regents have evidenced at other campuses that they are genuinely interested in knowing what the faculty and staff feel, are open minded and want to do what they believe is best for the rest of the university and state. President Curris introduced the individual Regents.

President Curris said he hoped the information to be provided would be helpful in the Regents' decision making regarding the Peat Marwick recommendations. Those recommendations that would negatively impact the university were in two areas. The first area was education. Peat Marwick recommended doctoral programs be terminated and the resources be channeled to support other areas of teacher education. The second area was the recommendation that the Department of Home Economics be eliminated. In essence the recommendation was to eliminate both undergraduate and graduate home economics programs.

President Curris introduced the Dean of the College of Education, Thomas Switzer, to discuss teacher education.

Dean Switzer said he is one of those Iowans who left the state and then found his way back. The bulk of his 21 years outside of Iowa were spent on the faculty and administration of the University of Michigan. Upon his return to the University of Northern Iowa he said there was no question the institution had changed dramatically. He was impressed that a multi-faceted education had remained the cornerstone of the university. University of Northern Iowa is viewed throughout the state and nationally as having exemplary programs in education.

Dean Switzer said that in order to be in the top tier of colleges of education today a university must offer the terminal degree in education. There are 67 students in the doctoral program with ages ranging from 30 to 52 years of age. Thirty-four percent of those students are women, 87 percent are part-time and 97 percent are expected to stay in Iowa after graduation. Sixteen of the 17 graduates of the program still reside in the state of Iowa. He drew a distinction between the two doctoral degrees in education offered at University of Northern Iowa. He noted that for some reason the report of Peat Marwick failed to make the distinction. The Ed.D. is the only degree of its kind offered by Regent institutions and is practitioner oriented. Graduates of the Ed.D. program conduct field-based research related to improvement of educational practice. The Ph.D. is a research degree which prepares those who teach at the university level. The Ph.D. is closely linked to theory. He said that when the Board of Regents approved the Ed.D. in 1982 it felt it would benefit Iowans to have the practitioner-oriented terminal degree. The decision to offer the doctoral degree was timely. There was a growing awareness of the need for the doctoral degree. Graduates acquire effective teaching skills as well as administrative techniques. He stressed that practitioners need advanced preparation. The doctor of education degree is rapidly becoming the degree of choice for practitioners. A recent national report of the educational policy board calls for all school administrators to hold the doctorate of education degree and specifically states it should be the Ed.D. not Ph.D. He said the need in Iowa is especially great. It is estimated that in the next decade 46 percent of the secondary principals and 56 percent of the superintendents in Iowa will retire. Replacements will need advanced degrees. These are great opportunities to advance education in Iowa. In response to an increasing demand, most peer institutions now offer the doctor of education degree. Among the 10 institutions identified by the Board of Regents as benchmark institutions for University of Northern Iowa, seven offer the Ed.D. Eastern Michigan, with the largest undergraduate teacher preparation program, is currently implementing the doctor of education degree program.

Dean Switzer said that given the increased professionalism of education it will be very difficult for University of Northern Iowa to remain competitive

in the future if it does not offer the doctor in education degree. One of the areas that would be difficult is for faculty recruitment and retention. He assured the Regents that the graduate faculty in education at University of Northern Iowa is uniquely qualified to offer the Ed.D. degree. Its close linkage of scholarship to educational practice is a strength. Faculty members hold the appropriate terminal degrees in their areas. Not having the doctoral program would also impact undergraduate and Masters programs if they cannot recruit high quality faculty members. He said no member of the faculty teaches exclusively at the doctoral level. One distinctive characteristic strength is that faculty are involved in all levels of the program. The loss of the doctoral program would also have a major impact on the university at large. Faculty members from all other colleges are involved in the doctoral program. Thirty faculty from colleges outside the College of Education serve on the committee. The lives of faculty members are enriched by their involvement in the doctoral program. He said that to not have the doctoral program would also have a major impact on the intellectual climate of the university.

Dean Switzer introduced Dr. John Somervill, Dean of the Graduate College.

Dr. Somervill said University of Northern Iowa is predominantly an undergraduate institution. He said that, accurate or inaccurate, there is a perception of a relationship between graduate education and opportunities for research. The presence of doctoral programs at the University of Northern Iowa campus enhances the perception of the university as a whole. Many prospective faculty members have asked if there are doctoral programs on campus. The fact that they are able to answer "yes" has often impacted on recruitment results. He said recruitment has become increasingly important. It will be difficult to continue to secure top-notch faculty if the doctoral program is not offered on campus.

Dr. Somervill emphasized that the Ed.D. degree is not the same as the Ph.D. degree. The Ph.D. is research oriented. He said 16 of their 17 graduates have remained in the state and all are employed: 6 are in the area of public administration, 3 are in Area Education Agency positions, and another 6 are in educationally-related fields. Twenty to 25 percent of the women graduates are specializing in educational administration which is considerably above the percentage of women in school administrative positions in the state. He said the Ed.D. program at University of Northern Iowa is serving the exact purpose it was designed to serve. It is a practitioner-oriented degree and provides services to this state. It is the terminal degree for those who work directly in schools.

Dean Switzer introduced a graduate of the program, Dr. Celia Burger.

Dr. Burger said she has been a resident of Waterloo since 1963 and is a lifetime resident of Iowa. She has been a classroom teacher and a consultant

for reading language arts in Area Education Agency 7. She is currently coordinator for language arts and has served on a number of Department of Education committees. She said there are unique traits of the Ed.D. program which meet the unique needs of educational practitioners. The program attracts a growing number of teachers and administrators who chose to pursue the Ed.D. in order to increase their effectiveness in their diverse roles. She said many of them enter to acquire new knowledge and to enhance their performance in the classroom. The program offers an opportunity for professional growth without interrupting their careers. They are able to transfer and test their knowledge in school settings which in turn provides an important link between the university and schools.

Dr. Burger said she represents a growing number of women for whom the doctoral program provides an opportunity for career and personal growth. Many women experience geographical restrictions. The program at University of Northern Iowa has minimized the restrictions on those seeking to pursue the terminal degree without jeopardizing career goals. She said many of the students remain active in their professions while pursuing the terminal degree. Advanced degrees are costly but committed educators are willing to pay the price. University of Northern Iowa responds to the needs of the professionals. The impact of the program is an important component in the state's educational leadership role in the nation.

Dean Switzer introduced a current student, Beverly Smith, who is the Director of Child Care Services for Area Education Agency 7.

Ms. Smith stated she was pleased to have been granted admission to the Ed.D. program at University of Northern Iowa. Her background includes 4 years of teaching and 6 years administration. As an educator she is interested in providing optimal learning experiences for children. She desires to plan, develop, deliver and administer educational programs. An administrator can have great impact on the quality of schools. She chose University of Northern Iowa's Ed.D. program to broaden her knowledge base and improve her administrative skills and because of its history of excellence. She was impressed with the quality of the graduate program and was confident she would achieve her professional goals. The faculty is highly respected and their involvement is indicative of their educational leadership and dedication to the improvement of educational practices. This degree met her needs and meets the needs of others who plan to work in schools. The availability of this program allowed her to work, maintain a family and pursue her degree. If the Ed.D. program had not been available at University of Northern Iowa she would have been forced to postpone her plans. She felt that many others in the area were probably forced to make similar decisions prior to the Ed.D. program at University of Northern Iowa.

Dean Switzer summarized the main arguments for retaining the doctoral education programs at University of Northern Iowa. 1) The doctorate of

education degree does not duplicate the Ph.D. and fits a unique niche in higher education offering. 2) The educational consultants to Peat Marwick did not suggest the doctoral study at University of Northern Iowa should be eliminated. 3) The faculty members, given their close linkage to the practice, are uniquely equipped to offer the degree. 4) There is a growing need for the degree and it is rapidly becoming the degree of choice by educators. 5) It is difficult to attract high quality faculty members to teach only at the undergraduate level. 6) The program is meeting its purpose of providing educators of Iowa with the terminal degree. 7) The existence of the doctoral program sets an intellectual climate that permeates the entire university. It attracts high quality faculty and students. The high level of creativity is infectious. 8) The national trend is for institutions similar to University of Northern Iowa to offer the Ed.D. degree. 9) University of Northern Iowa is without a doubt a national center of excellence in education. To eliminate the doctoral study would be a major step backward.

Dean Switzer introduced the following administrative members of the College of Education: Susann Doody, Dale Jackson, Roger Kueter, Barry Wilson, Marion Thompson, David Else and William Waack.

President Pomerantz said they had prepared well and presented compelling arguments. He said the fundamental thrust of their arguments seemed to indicate the suspension of the program would cause the rest of the programs in the college to suffer.

Dean Switzer said there are two thrusts. He said President Pomerantz mentioned one. The other thrust is the emerging and continuing need in the profession for this kind of degree.

President Pomerantz asked if Dean Switzer believed that if the program stays in place they will be adequately positioned to deal with the demand. Dean Switzer said there will be increased demand they will have to deal with. They have exceeded the number of anticipated enrollments and expect the demand for the program to continue. He assured President Pomerantz that they will position themselves to meet the demand.

Regent Hatch asked if she wanted to take a course in building and sites would the course be restricted to people in education administration. Mr. Jackson responded that building and sites probably would have a critical mass of students not only in the doctoral program but also students working on advanced post Masters and certification work. All graduate students seeking superintendent certification are required to take the course. He said that course is offered twice/year. There is a 3-year schedule which is published in advance.

Regent Furgerson asked how the program links the practitioner to effective schools research. Dean Switzer said that is done in 2 ways. It is done in

the classroom instruction. He said he sees the scholarship closely linked to professional practice with people in school as part of that. The other is the clinical component with the opportunity to work in the field including the Price Laboratory School. There is also some clinical practitioner components. Since many of the students stay in their professional positions that is also a wonderful opportunity when people work every day to experience the clinical aspect on their jobs. He read some titles of dissertations as examples of the research of doctoral students.

Regent Berenstein asked about the background of the 67 students. Dr. Doody stated that as of July, 25 of the students are from classroom teaching positions, 32 are in the area of educational administration, the majority are currently school principals. The remaining 7 are classroom teachers and one is a special educator from an Area Education Agency.

Mr. Richey asked what College of Education officials would identify as their 2 to 3 highest priorities in improving doctoral education. Dean Switzer said graduate assistantships was a high priority. The other area is faculty for the undergraduate programs. There is a considerable need in curriculum instruction.

President Curris stated the presenters would now address the second major area of concern -- home economics. He said the Department of Home Economics is located in the College of Social and Behavioral Sciences. He introduced Dr. Donald Whitnah, Acting Dean of the College of Social and Behavioral Sciences. Dr. Whitnah came to University of Northern Iowa in 1959 from the University of Illinois.

Dr. Whitnah discussed changes he has seen in the Department of Home Economics in the last 30 years. The department has continued interdisciplinary efforts and multi-disciplinary approaches. There is a great reliance on the Department of Home Economics by majors and minors in all areas of the university. Many are required to take basic nutrition and human relationships. The department is also involved in the general education program. Students from Allen Memorial Hospital and Hawkeye Institute of Technology take courses in the department. Last spring semester 41.5 percent of the students in home economics courses were non-majors. Courses in the home economics department serve as an important foundation to requirements in the social work curriculum. They rely heavily on courses in the Home Economics Department. Sixty-four percent of the electives of the College are offered by the home economics department.

Dr. Whitnah stated the College of Social and Behavioral Sciences' Faculty Senate passed a resolution of support which stated in part that as the overseeing curriculum body of home economics the Senate has been consistently impressed with the high quality of courses and the high level of academic excellence as witnessed by its accreditation. He said it is a viable program

and there will be opportunities for even more interdisciplinary endeavors. They welcome the crucial ties with other majors. He said home economics has taken a positive shift from the traditional "stitching and stirring" to assisting individuals and families in home, work and their daily lives.

Dr. Whitnah introduced Dr. Ronald Chung, Head of the Department of Home Economics, to show slides to support the home economics department.

Dr. Chung stated that many factors contribute to the quality and efficiency of the home economics program. All 6 major areas in home economics have received accreditation through 1997. Faculty have outstanding records for teaching, research and service. Historically they have attracted a significant number of students from Iowa and a large number of those from northeast Iowa. Graduates of home economics are employed in various teaching and non-teaching jobs. A great majority of those jobs are in Iowa and spread throughout the state. He said home economics provides services to the community. The home economics graduate program supports and enhances the undergraduate program. The graduate program serves individuals pursuing a graduate degree in home economics while working full time. He noted that more than \$1 million has been spent for renovation for the home economics program in Latham Hall. The renovation will be completed in December 1989. A major financial commitment has been made to support the future of the home economics program at University of Northern Iowa.

Dr. Whitnah introduced a consultant, Dr. Lena Bailey, Ohio State University, Dean of the College of Human Ecology.

Dr. Bailey said it was a privilege to share some of her views on the quality of the home economics program at University of Northern Iowa. She discussed the "death" of an academic program. It has consequences in regard to alumni. She said that with the demise of a program comes displacement of faculty and faculty morale is low. There is displacement of entire families. Students no longer have access to program choice. Comprehensiveness of the university is diminished. Traditions, values and beliefs related to the program no longer exist. She said the knowledge and subject matter of home economics today is perhaps more than ever of value to American families. She noted that strengthening the family may help solve many social problems.

Dr. Bailey believes the program at University of Northern Iowa is an excellent program and has some unique dimensions. Interior design is very special and unique in the state. The food and nutrition in business program is unique. There are also some unique dimensions to fashion merchandising. She said it was true there is some duplication but she did not believe it was unnecessary. It is necessary to the critical mass and the comprehensive nature of the field. In regard to the quality of the faculty she said they are on the cutting edge of subject matter of each of their fields. There is a strong commitment to teaching and providing quality instruction. In regard to students' views she said they enjoy being here, they enjoy the campus and say

it fulfills their needs, they are comfortable with the content and instruction and personal attention. She said the current resources are adequate to support the program. The new spaces being designed will enhance the quality of the program and afford the faculty the resources to do their work. The library facilities are adequate.

Dr. Bailey said she is an American Home Economics Association board member which is the body that accredited this program. She assured the Regents the accreditation program is a substantive and rigorous one. This program met and exceeded the criteria for evaluating programs for accreditation. The American Dietary Association does not approve a program lightly, and this program has been approved. The design program is Fighter approved. It is very difficult to achieve Fighter approval of design programs.

Dr. Bailey encouraged the Regents to think very carefully about this program because it provides a wonderful educational opportunity in this state.

Dr. Whitnah introduced Marilyn Story to speak as a faculty representative for home economics and on behalf of the United Faculty.

Professor Story addressed the human elements of a successful program. She said the quality of faculty who work with students is high. Nine faculty hold tenure, one is tenure track, two more will be tenure track when they complete their Ph.D.s. The majority of faculty have over 20 years of teaching experience. The program is interdisciplinary in nature which produces better majors and better graduates. The department works closely with home economics programs at the other two Regent universities although they serve different populations of students. Faculty are active in research. They have been published in 54 different journals. Faculty have made at least 127 professional meeting presentations in places including USSR, India, Kenya, Germany, Barbados and Canada. This faculty activity brings a wider world view to students and makes faculty research more meaningful. Faculty has received 20 funded grants in the last 5 years. Three of the faculty are minority, 2 are handicapped and all but 3 are women. She said they take affirmative action seriously. The faculty are respected leaders in their fields. One is president of an international research association and another is the state Hospice president. Faculty members have donated a lot of time and expertise to the community. They have started Hospice programs, family and children's council, teen pregnancy prevention, Aids awareness and adult literacy programs. Faculty has done historic home renovation. They answer questions from the community all the time in such areas as diet, parenting and money management.

Professor Story stated that students evaluate faculty as effective teachers, good advisors and as being very concerned about students. There is a general trend of growing enrollment in home economics majors. Home economics education major is the smallest major on campus; however, the recently-enacted vocational education legislation mandates that all Iowa public schools must

offer certain courses, one of which is home economics. These courses must be in place by 1992. This legislation coupled with the disproportionate number of home economics teachers nearing retirement age indicates the demand for the home economics education major will be increasing. The department has revised the curricula to enable students to attain teacher certification more easily.

Professor Story said there is a gender equity issue. Home economics students are mainly women. She said more handicapped and disadvantaged students come to University of Northern Iowa. It would be a hardship on area students to pay room, board and travel to go elsewhere for home economics programs. Disadvantaged students cannot go elsewhere. In addition, all graduates of home economics need continuing education hours to maintain their certification. Teachers also need continuing education hours. She said students are involved with local businesses for practicum as well as employment. Courses in the Department of Home Economics are required by other majors on campus, as well as by students at Allen Memorial Hospital and Hawkeye Institute of Technology. These courses would need to continue to be offered; therefore, she said no economic savings would result from eliminating the program. Over 41 percent of the students taking home economics courses are non majors. Students are especially interested in courses about issues facing the family and society today. Obviously students want the courses and they should continue to be available to them.

Professor Story said Iowa has one of the lowest number of state universities per capita of all the states. Two to three home economics programs are not too many in order to meet student needs. Most graduates are employed in Iowa. Their salaries are comparable to those received by other social science majors. Salaries of family service workers are comparable to the salary level of social workers. She stressed that they cannot measure success only in economic terms. It is an issue of improving the quality of life for Iowans. She questioned what breaking the cycle of poverty is worth. The program meets the needs of Iowans effectively and efficiently.

Dr. Whitnah introduced Linda Shooty, a graduate in clothing and textiles, now pursuing her teaching degree.

Ms. Shooty said she is a non-traditional student as well as a graduate of University of Northern Iowa in 1974. She stated that because she grew up in a small town she was comfortable with the smallness of the university. That smallness helped her to succeed in her goal. She was well prepared when she entered the job market.

Ms. Shooty is able to pursue the degree in teacher certification only because her home is 12 miles from the campus. She is able to take the classes while keeping her employment. It was out of the question and budget for her to go to University of Iowa or Iowa State University. She said one-third of the student body is non-traditional. To eliminate the home economics program would greatly limit career opportunities for non-traditional students in

northeast Iowa. She said 214 students have declared majors in home economics; 204 are Iowans. She said a workshop is provided on campus concerning building family strengths. This workshop is attended by teachers, coaches, guidance counselors, social workers and nurses. They can use what they learn in their personal lives as well as their jobs. She said the University of Northern Iowa should be allowed to maintain this program and continue the education to the public.

Dr. Whitnah introduced alumnus Kathy Flack who graduated in 1973. He noted that she has won several national awards in her field.

Ms. Flack discussed how she came to choose a career in the home economics area. In 1969 when visiting the three university campuses she did not know home economics was the area she wanted to study although she knew she wanted a career. She chose University of Northern Iowa because of the campus environment and the educational standards. The University of Northern Iowa is less intimidating but no less challenging than the other two Regent universities. She not only learned about long term goals at University of Northern Iowa but discipline and hard work, as well. It was the combination of the campus environment and the fine home economics department that made her successes possible. The public expects and demands competency. The first step in attaining competency is a formal education followed by experience in the field. The University of Northern Iowa Department of Home Economics fulfills both these requirements. Graduates of the program have great opportunities for entrepreneurial success in careers women excel in.

Ms. Flack said University of Northern Iowa officials began blending home economics with other offerings at the university 18 to 20 years ago. She stressed that now is the time to improve not restrict the programs. As a graduate, she said continuing education is a requirement. Duplication is not the problem but the solution. She did not believe it would not cost more to build larger facilities to house all the home economics students on one campus. Graduate students must have a choice of schools.

Ms. Flack asked if the decision the Regents make will limit the number of students able to pursue a career in home economics. She said they have a unique opportunity to influence the future with a positive action.

Regent Hatch asked for the percentage of part-time non-traditional students. Dr. Whitnah said 40 percent of the majors are non-traditional and part-time students would comprise about 1/3 of that amount.

Regent Hatch asked about the size of the smallest class this semester. Dr. Whitnah said the class size ranges from 6 to 150 students. The small classes are the upper-level specialized classes.

President Pomerantz asked about the opportunities available to graduates in the business community. Dr. Whitnah said the opportunities are quite vast and

varied for the non-teaching and the traditional teaching jobs, as well. The areas would include food research, product development, consumerism. They serve in all facets of business. The faculty tries to find out what the interest will be and develop courses to meet those interests. There were 12 graduates in interior design this year. Three are employed by architectural firms, two are working on hospital design and others on restaurant design. Another works in a furniture store. A number of graduates are going into managerial positions in restaurants. Other graduates are alcohol and drug abuse counselors, children's home directors, preschool facility workers. Several graduates are counselors in Area Education Agencies. Other graduates work in the family planning area. Von Maur's hires quite a few of the graduates for its management training program. Similar opportunities are available for graduates with Youngers, Sears and Penney's. One student is a training program manager for Bell's department store. Another graduate is an assistant magazine editor. Graduates are marketing directors. Dr. Whitnah stated that 100 percent of the diet majors are successful in getting the internships and placements they desire. All the graduates who are certified in dietetics have scored very highly on those examinations. The dietetics program can hardly fill all the positions available in and out of state.

Regent Tyler complimented university officials on the selection of presenters. Regent Williams agreed and said she was so impressed by the presenters. She said she was not aware of the various facets of the program.

Provost Marlin said the presenters are reflective of the quality of the programs. She introduced Margaret Curran, student government vice president.

Ms. Curran stated the possibility of having programs eliminated concerns all students. She said the cuts are misguided. The cost to individuals must be considered. The Regent institutions were established in various communities for different reasons. Programs are duplicated because it best serves the people of this state. It enables children to be educated closer to home. Teacher education is University of Northern Iowa's specialty. Many home economists become teachers. Many of the students enrolled in home economics do not have the choice of transferring to other universities. Many of the 214 home economics majors are from Black Hawk County and attend University of Northern Iowa because of it's an excellent teaching university and in an excellent location. She said eliminating the program may save a few dollars but questioned how it makes sense if the purpose of the university is to serve the people of Iowa. She questioned what had changed since the commitment was made to renovate Latham Hall.

Ms. Curran referred to the recommendations to eliminate the educational doctoral program. She said that when the Board of Regents created the program 6 years ago it was justified as one of the most cost effective ways of educating future generations. Many graduates are already employed within this state and continue to teach Iowans. Enrollment in the program continues to exceed expectations. The degree program is not offered at either of the other

Regent universities. She said it is not unreasonable to cut programs from time to time but each should be examined individually, not slashed across the board.

Ms. Curran said many students begin college taking courses for a particular degree program then end up changing their goals because they were offered choices and found something better for them. She suggested that Peat Marwick wants to eliminate choices.

President Curris stated that all that remained to be discussed were the recommendations Peat Marwick made on the other studies. He said Board staff and university responses were virtually identical. He referred to the two recommendations regarding the Price Laboratory School. One recommendation was the need for greater focus through strategic planning and instituting tuition charges. He said university officials are proceeding with the strategic planning. They will enlist the services of consultants to assist and evaluate the recommendations.

Regent Furgerson said she hoped the Laboratory School is looked at very carefully. She said it serves Black children from Waterloo. Regent Furgerson was involved in the committee that developed those programs. One of the rationale was that since the mission of the school was to provide opportunities for student teaching and curriculum development, the committee members felt it wise to make the student body more representative than it had been. She cautioned that some families could find tuition to be a real hardship. She did not want to see that opportunity taken away.

President Pomerantz said it was late in the second day of an active Board meeting. The Regents had covered a lot of issues. He felt some persons may be concerned that the Regents were not up to their normal rate of understanding. He assured the persons who spoke that their presentations were compelling and well done. The Regents will give all the points raised their best consideration.

ACTION: President Pomerantz stated the Board, by general consent, received the reports from the individual universities regarding responses to the Peat Marwick (KPMG) recommendations on unnecessary duplication in targeted program areas.

This concluded the discussion of this docket item from the afternoon of September 21, 1989.

REPORT OF INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a) Post Audit. The Board Office recommended the Board receive the report of the Post-Audit on the University of Iowa B.S. degree program in Exercise Science and approve the continuance of the program.

In 1984, the Board of Regents approved the B.S. degree program in Exercise Science at the University of Iowa. A post-audit report on this program was now reported. The program appears to be a viable program and has met its initial objectives. The post-audit report was reviewed by the Interinstitutional Committee and the Board Office and both recommended its receipt and the continuance of the program.

MOTION: Regent Furgerson moved to receive the report of the Post-Audit on the University of Iowa B.S. degree program in Exercise Science and approve the continuance of the program. Regent Greig seconded the motion, and it carried unanimously.

(b) Reorganization of Departments in the College of Business at the University of Iowa. The Board Office recommended the Board approve the proposed reorganization of the Industrial Relations and Human Resources department and the behavioral and strategy faculty in the Management Sciences department into a new department called the "Management and Organizations Department".

University of Iowa officials requested a departmental reorganization involving the Industrial Relations and Human Resources department and certain other related faculty. This change would result in the unification of faculty with like academic interests. The proposed reorganization has no fiscal implications.

The proposed reorganization was reviewed and recommended for approval by the Interinstitutional Committee on Educational Coordination and the Board Office.

MOTION: Regent Fitzgibbon moved to approve the proposed reorganization of the Industrial Relations and Human Resources department and the behavioral and strategy faculty in the Management Sciences department into a new department called the "Management and Organizations Department". Regent Williams seconded the motion, and it carried unanimously.

(c) Name Change of M.S. Dentistry Degrees at the University of Iowa. The Board Office recommended the Board approve the proposal to change the name of the Master of Science Degree in Community Dentistry and Dental Public Health to Dental Public Health and the change of the Master of Science Degree in Oral Pathology to Stomatology.

University of Iowa officials requested the change of the Master of Science Degree in Community Dentistry and Dental Public Health to Dental Public Health and the Change of the Master of Science Degree in Oral Pathology to

Stomatology. It is believed that the Oral Pathology title did not adequately reflect an important sub-area of the program.

The proposed change of the Master of Science Degree in Community Dentistry and Dental Public Health is one of name only; no substantive programmatic changes are associated with this change.

The item was referred to the Interinstitutional Committee and the Board Office in July and both recommended approval.

MOTION: Regent Williams moved to approve the proposal to change the name of the Master of Science Degree in Community Dentistry and Dental Public Health to Dental Public Health and the Change of the Master of Science Degree in Oral Pathology to Stomatology. Regent Furgerson seconded the motion, and it carried unanimously.

(d) Policy on Program Discontinuance. The Board Office recommended the Board approve the proposed policy on Programs Discontinued by Board Action.

Board Office staff proposed a policy on Programs Discontinued by Board Action so there will be a systematic, comprehensive approach to the discontinuance of programs in the event that the Board should decide that certain programs should be discontinued.

The policy calls for each institution to generate a plan for dealing with issues that may arise in the event the Board decides that a program is to be discontinued. This includes timely information to the students, support services for students, a plan for faculty/staff reductions if necessary, and notification of various organizations.

This policy was reviewed by the Interinstitutional Committee on Educational Coordination and the Committee recommended general approval.

It should be noted that Section 2 of this policy requires that this information be provided before a program is discontinued. However, this does not apply to the programs currently under review as a part of the organizational audit. This information will be supplied after a program is discontinued for the organizational audit studies.

Director Barak stated the proposed policy would provide for a comprehensive approach to discontinuance of programs. He referred to the following section of the proposed policy and said the faculty groups at the University of Iowa and Iowa State University suggested the word "substantial" be inserted before

"advance notice". Board Office staff did not recommend inserting the word "substantial" but felt the request should be brought to the Board's attention.

3. c. A flexible plan for faculty and staff reductions, if any are necessary, that at a minimum includes advance notice and fully recognizes contractual and tenure rights of faculty and contractual and career status rights of staff members.

Vice President Vernon said the addition of the word would accurately describe what they are doing.

Regent Fitzgibbon asked for Vice President Vernon's definition of "substantial". Vice President Vernon said notice to non-tenured faculty is a year. Substantial notice for tenured faculty he felt would be 1 to 2 years. He said "substantial" should be a long period of time.

President Pomerantz asked if the word "reasonable" would be fair. He also asked if there was any doubt the Board would be reasonable. Vice President Vernon said he felt the Board would be reasonable. President Pomerantz suggested that in that case they probably did not need either word.

Vice President Vernon referred to the first sentence in section 2. and said the first word in that sentence should be "Before" not "After".

Regent Hatch asked if the proposed policy would also apply to University of Northern Iowa. Director Barak responded that the policy would apply to all three Regent universities.

Regent Hatch asked if the University of Northern Iowa Faculty Senate had seen the proposed policy. Director Barak said they had.

Regent Hatch questioned the impact of the policy on University of Northern Iowa in terms of collective bargaining. Director Barak stated the policy is consistent with collective bargaining.

MOTION: Regent Fitzgibbon moved to approve the proposed policy on Programs Discontinued by Board Action, as modified, which includes the addition of the words "Before" and "reasonable", as discussed. Regent Tyler seconded the motion, and it carried unanimously.

PRELIMINARY ENROLLMENT REPORTS. The Board Office recommended the Board receive the preliminary (unofficial) enrollment report for Fall 1989.

Each fall the Board Office prepares a series of reports on institutional enrollments. This initial report provides preliminary enrollment totals.

While this information is not the official Fall 1989 count, it does provide the Board with a rough idea as to the status of enrollments at each of the Regent institutions.

Headcount

Table 1 contains the actual headcount for Fall 1988, the projected headcount for Fall 1989, the preliminary Fall 1989 headcount enrollment provided by the institutions, the preliminary Fall 1988 headcount, and the differences between the preliminary enrollments for Fall 1989 and preliminary enrollments for Fall 1988.

TABLE 1

	Actual Headcount Fall 1988	Projected Headcount Fall 1989	Preliminary Headcount Fall 1989	Preliminary Headcount Fall 1988	Difference in Preliminary 1988 and 1989 Headcount
SUI	29,230	29,044	28,884	28,892	(8)
ISU	25,448	25,226	25,463	25,466	(3)
UNI	11,472	11,371	11,801	11,470	331
ISD	108	133	156*	107	49
IBSSS	55	58	62	56	6

* Includes 121 on campus students with outreach programs at Lewis Central, Atlantic, and Council Bluffs.

FTE Enrollments

Table 2 provides a comparison of the actual Fall 1988, the projected 1989, the preliminary 1989, and the preliminary 1988 FTE enrollments. FTE consists of the number of full-time students and part-time equivalent full-time students.

TABLE 2

	Actual FTE Fall 1988	Projected FTE for Fall 1989	Preliminary FTE for Fall 1989	Preliminary FTE for Fall 1988	Difference in Preliminary 1988 and 1989 Fall FTE
SUI	24,531	24,202	24,230	24,183	
ISU	23,541	23,514	23,578	23,571	47
UNI	9,811	9,706	10,070	9,824	7
					246

New Freshmen Enrollment

Table 3 contains a preliminary count of new freshmen at each of the universities, and the actual headcount of new freshmen in Fall 1988.

TABLE 3

	Actual Headcount of New Freshmen Fall 1988	Preliminary Headcount of New Freshmen Fall 1989	Preliminary Headcount of New Freshmen Fall 1988
SUI	3,762	3,514	3,777
ISU	3,638	3,609	3,638
UNI	1,933	2,025	1,933

In October and November, the Board will receive the official enrollment counts and a breakdown of enrollments by unit, race, sex, handicap, resident/nonresident, and foreign student status as well as enrollment reports from the special schools. The Board will also receive a report on Fall 1989 enrollment at all postsecondary institutions in Iowa.

Director Barak noted that the day before the Regents had received a report from Iowa State University officials that provided more actual enrollment figures for this fall. The purpose of this report is to give the Regents some sense as to where enrollments are heading. In October and November the Regents will receive much more detailed enrollment information.

President Eaton expressed concern about media coverage based on the enrollment figures in the docket information. He said the docket books come out substantially earlier than in previous years. In order for university officials to get their docket information to the Board Office in sufficient time before docket books are mailed, their enrollment information is very preliminary. Their enrollments for this fall are actually up rather than down as was indicated in the first preliminary information submitted to the Board Office. He asked if somehow in the future they can present the Board with the real data rather than projections.

President Pomerantz asked about the possibility of withholding publishing enrollment figures until they have the right figures.

Director Barak stated that in the past the Board wanted to have some idea of what enrollment figures might be. Institutional officials have always told the Board Office that figures are not available earlier than October. He said that if the Board Office could get the final fall enrollment figures for the September meeting then the actual figures would be published.

President Eaton said Iowa State University officials should be able to provide actual enrollment figures at the September meeting. Vice President Vernon said University of Iowa officials could provide that information for the

October meeting. Vice President Phillips stated they could not provide the information for the September meeting because of drops and adds.

Regent Hatch asked if there was anything wrong with the Regents receiving the information in October. President Pomerantz asked that this issue be worked out at the Board Office level.

ACTION: President Pomerantz stated the Board received the preliminary (unofficial) enrollment report for Fall 1989 by general consent.

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

Regent Williams stated that at the first meeting of the year the attendance was a bit down. One of the goals discussed at the meeting was to adopt a 5 point agenda for the year. There was also to be a preliminary review of the Master of Public Policy degree at the University of Northern Iowa; however, University of Northern Iowa officials did not receive advance notice that it was on the agenda. The preliminary review will be on the agenda for the October meeting. Regent Williams said the Coordinating Council decided it would react to the legislative higher education task force report and would testify at some of the statewide hearings. She noted that she was appointed chairperson of the committee assigned with developing the response.

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

REPORT OF THE LEGISLATIVE TASK FORCE. The Board Office recommended the Board (1) adopt the report and proposed Board Office recommendations on the preliminary report of the Legislative Higher Education Task Force and (2) schedule Board of Regents representation at the Task Force hearings.

The Legislative Higher Education Task Force met in August at Lake Okoboji to draft its preliminary report. The report will be subject to a number of hearing around the state of Iowa.

The recommendations are based on responses from the three universities and the two special schools. Final action on this item will be taken in October.

ACTION: President Pomerantz stated the Board deferred action on the preliminary report of the Legislative Higher Education Task Force.

UNIVERSITY RESEARCH AND DEVELOPMENT PRESENTATIONS. The Board Office recommended the Board receive oral reports from the three Regent universities regarding their research and development plans and activities.

The University of Iowa's presentation emphasized its plans and activities in the area of medical research. University officials have requested funds for planning the construction of a medical research building (\$1 million) and to launch and support a center for Biocatalysis and Bioprocessing (\$4.261 million).

Iowa State University has established the Institute for Physical Research and Technology, a research and technology development consortium. University officials requested \$4.650 million to assist in the coordination of research that will lead to the development of new technologies critical to Iowa's economic future.

The primary thrust of the University of Northern Iowa's research and development efforts have centered around its Institute for Decision Making, Technology Transfer Consortium, Applied Technology Program, and the Emerging Business Opportunities Program.

President Eaton introduced Dr. Michael Crow.

Dr. Crow said university officials and faculty are producing new technology that will benefit the state of Iowa by way of attracting new businesses and new technology-based enterprises. This effort is accomplished through the Institute for Physical Research and Technology which is a consortium of both fundamental applied and technology transfer research organizations on campus. The objective of the institute is to coordinate and conduct research that will lead to the development of new technologies critical to Iowa's technological and economic future. The institute has evolved to a critical stage where it must stabilize its financial foundation and focus on new science and technology development. Its current budget is 95 percent contract-driven, thus limiting the university's ability to stimulate new science and technology for Iowa's future. Current funding (7/1/88 - 6/30/89) is at \$38,704,960 of which \$2,257,160 was from miscellaneous state sources. The state does not provide steady funding. University officials were asking for support from the state as base support for the institute in the amount of \$4,650,000. He said the State of Iowa needs to be a partner in the enterprise. Right now that partnership is very limited.

Dr. Crow said the institute creates new technologies for Iowa. Since it benefits the future of Iowa it needs funds from Iowa. To attain its objective of expanding the research and technology development foundation for Iowa, the institute needs a financial base that will do the following:

- * Support Iowa-focused technology development projects based on fundamental discoveries in the institute.

- * Fund new feedstock science for Iowa technology development activities.
- * Support regional technology-based industries with unique facilities and services.

The institute is Iowa's largest organized public technology development enterprise. It is the home of the Ames Laboratory, Iowa's only federally-financed research and development center. It is Iowa's largest public sector patent producer and is organized as a research and technology development organization. The institute includes more than 90 faculty-led research groups and has initiated 18 new technology seed development projects. Dr. Crow stated the "engine" is in place to produce the kind of knowledge necessary for new technology. He referred to the recent publicity regarding the Ames Specialty Metals company, which is in the magnet business. There are 17 other projects following behind that one.

Dr. Crow stated the funding requested was essential to keep the institute operating and focusing on Iowa problems. They have gone a tremendous distance in building the capacity to create the knowledge. They are requesting the State of Iowa become a 10 percent partner. In return, the institute will bring in a factor of 4 times additional money. They expect to develop one new economic enterprise every 9 months.

President Pomerantz asked if this was a budget request. Provost Glick said this was a special purpose request versus an operating budget request. Mr. Richey said Board Office staff had placed the request in the lottery funding category.

President Pomerantz thanked Dr. Crow for a very dynamic presentation and said he had captured the interest of the Board of Regents. However, he felt the various funding streams needed to be evaluated and that the Board would have to evaluate the request. He pointed out that the concept of private funding should not be undervalued.

Dr. Crow stated that university officials have worked vigorously to pursue private funding. Much of the private funding is from companies that are not located in Iowa. He noted that John Deere officials were looking for a solution to an incoming problem and had transferred a substantial amount of money to the institute to tackle that problem for them.

Regent Williams asked if the money became available what specifically would it stimulate in terms of industrial, private and federal support. Dr. Crow said some of it would be seed money and some would go for infrastructure. He noted that Institute officials brought an expert in to tell them if they should still be in business. They were told that if they wanted to be in the microelectronics business they had picked a good industry: thin films processing. He stressed that they need to find base support for the enterprise. They need \$600,000 just to keep the machines running.

Regent Williams asked if the additional state funding would stimulate further federal dollars. Dr. Crow said it would stimulate additional federal funds at a ratio of at least 4 to 1.

Regent Fitzgibbon said the state is dealing with national and international competition. He felt the institute was great for the state of Iowa and that it should be looking at the investment which he felt was a very reasonable investment for the return. He noted there were two state legislators present at the meeting who had also just heard Dr. Crow's presentation. The university is stepping out front to offer some leadership to the nation and the state should support it.

President Pomerantz stated that one of the Regents' strategic planning goals is to enhance private funding. Iowa State University officials are attempting to do that.

Dr. Crow noted that later that day he was going to speak before representatives of companies such as Boeing and United Airlines to request \$2 million in private funding from those companies.

Provost Glick stated he supports Dr. Crow's request and truly believes in this endeavor. He feels it is a unique opportunity in this state. They need the support of the legislature. There is a commitment by the state to diversification of industry. With the leadership of Dr. Crow Iowa State University officials can really address economic development for Iowa. He urged the Board to support the funding request.

President Eaton stated there is a consortium of most of the major aircraft and airline industries supporting research regarding aging aircrafts. That will be accomplished through all the programs under Dr. Crow's supervision. In regard to what university officials are running into at Washington, D.C., he said the federal government wants to see the state of Iowa making a commitment, also. University officials have brought back to the state of Iowa \$80 million in research funding, and that shows no signs of letting up if they are able to secure steady state funding.

Regent Greig referred to agriculture research and said he felt the state had "dropped the ball" as far as development was concerned. Dr. Crow stated that university officials are in the midst of designing a companion entity in agriculture and life sciences.

President Pomerantz said Regent Greig had put his finger on the most important aspect of the meeting: the structure to develop and deliver the technologies. Dr. Crow's organization is making a strong effort to correct that and play catch up, and to be one of the leaders in a short time.

President Eaton stated that in the past 3 years university officials have brought in outside recognized expertise to comment on how they are organized

and funded. In the last week they have sought assistance for science education in agriculture and the total agriculture enterprise. The previous evening President Eaton and Provost Glick had dinner with the head of the federal agriculture agency, which he said indicates they are seeking the best advice they can find.

Vice President Vernon stated that University of Iowa officials were requesting funding for equipment for the Laser Building. That building is being redesigned to bring it into budget. University officials are in the process of hiring people for that facility for whom they have to provide equipment. It will cost \$1 million for equipment for each chairperson. Each of the younger scientists will require equipment costing \$200,000 - \$400,000. University officials are asking for legislative assistance over the next two years in the amount of \$2-1/2 million/year, which is one-half the amount needed. University officials expect to raise the other half through reallocation or grants.

Regent Berenstein referred to correspondence the Regents had received from Vice President Phillips regarding the Laser Building being revamped. He asked how much money would be lost because of the waste and what would happen if university officials cannot raise money for the equipment.

Vice President Vernon said they are going to raise the money. He had no doubt they would get the building equipped. In terms of the cost of the delay, he said they won't lose anything in terms of what has been done already. Vice President Phillips stated university officials are working with the architect and engineers on the design changes.

Regent Berenstein asked if the Regents could assume the delay is the only cost and there will not be any waste in footings, etc. Vice President Phillips responded that university officials would come back with a full report in October. She hopes there will be no waste.

Regent Berenstein asked where the funding for the equipment will come from if not from the legislature. Vice President Vernon said that if they cannot raise the money to buy the equipment they will have to reallocate and move more slowly.

Mr. Richey noted that he has been talking with the Director of the Department of Management regarding this specific project. Management officials are well aware that university officials will need the moveable equipment, and they expect that request to come in. He said it is not unusual at all with capital projects for a request for equipment funding.

Regent Fitzgibbon said they first have to have a building. He felt that if the Regents were informed of what was going on on a regular basis it would be helpful. This Board has a lot at stake. They need to find a way to keep this Board better informed of what is going on in its building program. He said

the Board is made up of various people with different areas of knowledge and expertise, and many of them know about building buildings.

President Pomerantz said there is always the potential for using Board resources if the Board can help on a matter. The Regents have been concerned about the design of the building and their concerns were validated. University officials have taken it back to the architect and are redesigning the building. That is all that has happened. He said the issue is how they handle capital projects in an inflationary environment. There is a high risk of coming in over budget, particularly with sophisticated and exotic designs for buildings. In the redesign they will have a much more straight forward design; unfortunately, they will lose some time. He cautioned that they needed to be very careful in the selection of architects.

Regent Fitzgibbon expressed concern that they would not be able to use all the footings. Vice President Vernon said the plan right now is to use them all. Vice President Phillips stated that as soon as university officials get a report from the architects and engineers they will be glad to work with Board members individually or as a whole. President Pomerantz requested that university officials forward the information to the Board Office, and the Board Office will ensure the Regents are contacted.

Professor Rex Montgomery stated the excellence and strength of a research university rests with its faculty and their ability to share the knowledge with students and peers. The ability of faculty to compete for the resources necessary has become increasingly expensive. Each faculty member when he/she comes to the university knows they have to help support research. Every faculty person does not have the same opportunities for external monies. He said the faculty must be housed in buildings with appropriate resources. University of Iowa faculty have competed successfully for external funds. University officials expect the amount of research funding brought into the university in 1989 will be \$108.8 million. The university has been highly successful in competing with other universities.

Professor Montgomery said the University of Iowa ranks 24th in the nation in receiving National Institutes of Health funds. The College of Medicine is ninth among all public universities in the country. For all government funds for research the University of Iowa ranks thirty-third out of the top 100 universities receiving the largest amount by agency. These are 1987 figures, the latest available from the National Science Foundation. These figures show the university has competed well.

Professor Montgomery noted that research has changed dramatically. It requires significant infrastructure to support the faculty. There is a need to stimulate and nurture intradisciplinary research. It is critical to nurture interdisciplinary programs and to provide seed money until the researchers can obtain the stature to compete for external funding. He said there is an obvious implication in economic development. Seventy percent of

the major advances in important fields were the result of research done in universities. These developments did not happen because someone assigned specific goals and tasks to faculty and these developments did not happen overnight. He noted that while invention disclosures may be impressive by sheer numbers, only a small number result in income-producing patents. At the University of Iowa only 16 percent of their patents are income earning.

The University of Iowa has been working very hard in the past years to assist the transfer of technology. This has been accomplished through the university research foundation, the Technology Innovation Center and soon will also be assisted by the Oakdale Research Park. Professor Montgomery said there is great pressure for additional research space. The university has been successful in building research teams and has many exciting programs. He referred to one newer group of interdisciplinary faculty and said their present external support is generated at an amount of over \$250/square foot of research space. Faculty at the University of Iowa have run out of research space. There is a need for a biomedical research building. They requested \$1 million to begin planning.

Dr. John Rosazza, University of Iowa College of Pharmacy, described an interdisciplinary program in biocatalysis and bioprocessing. He said he is a professor caught up in an exciting venture. He provided a brief background on biocatalysis. He said biotechnology is a broad term. There are various applications of biocatalysis. The research group at the University of Iowa is the first such in the United States. Since 1983 the team has grown to 35 faculty members. It obtains \$5.1 million in research funds/year. Professor Rosazza described the program objectives:

- * Provide strong input and leadership in strengthening and creating new interdisciplinary academic opportunities at the University of Iowa.
- * Foster biocatalysis/bioprocessing research.
- * Acquire state-of-the-art facilities and equipment critical to the conduct of biocatalysis/bioprocessing research.
- * Promote a high technology focal point in the areas of biocatalysis and bioprocessing to encourage industrial interactions with Iowa scientists.
- * Provide highly-educated personnel for rapidly-developing biotechnology industries.
- * Pursue funding opportunities from local, state, federal and private sources to support biocatalysis/bioprocessing research.
- * Promote intellectual interactions and communication among scientists at the University of Iowa and biotechnology industries.

President Curris referred to the time the state embarked on its economic development effort and the use of lottery funds for that purpose. Since University of Northern Iowa is essentially a teaching university, university officials felt they could best contribute to economic development in the application of technology transfer and assisting communities and businesses in that endeavor.

Associate Professor Neil Wilson said the four projects for which University of Northern Iowa officials were requesting funding are unique. Those projects are its Institute for Decision Making, Technology Transfer Consortium, Applied Technology Program, and the Emerging Business Opportunities Program. These programs provide a special blend of technical assistance to meet the needs of Iowa. He said these projects have been and will continue to be successful in enhancing economic opportunities and competitiveness in Iowa, and improving the quality of life. The projects interface with the mission of the university toward teaching, research and service.

Associate Professor Wilson addressed the University of Northern Iowa's contributions to rural communities. In the past 2 years they have provided technical assistance to numerous communities throughout the state and contributed to the creation of at least 1,000 new jobs over the last 2 years in communities ranging in population from 200 to 125,000. It has been estimated that the results of these activities have contributed \$30 million to the state's economy. These programs have resulted in Fortune 500 companies locating in communities in Iowa with populations of less than 5,000. In the past 18 months they have assisted 500 businesses in improving the environment by the elimination of 6,000 tons of hazardous waste and materials.

Associate Professor Wilson stated that technology is the key to the ultimate success of Iowa. Universities hold that key. At the University of Northern Iowa in the last 4 months staff has worked with 15 firms transferring the university's technology. There are numerous technology transfer efforts to Iowa's smaller communities. University officials were told that without their involvement it would not have been possible for these small towns in Iowa to achieve these results. He said one of the greatest needs in the state is for technical assistance in the application of existing technology. University officials are beginning to offer seminars to businesses. In the past 5 years they have gained considerable experience through the training of 4,000 managers in the public and private sector. They train volunteers and professional developers.

ACTION:

President Pogorantz stated the Board received oral reports from the three Regent universities regarding their research and development plans and activities by general consent.

LEGISLATIVE ISSUES, 1990 SESSION. The Board Office recommended the Board receive a status report on the preparation of the Board's legislative package and call for suggestions for legislative proposals.

The Board Office will provide in October a list of suggested issues for the Board of Regents' 1990 legislative package. Several bills introduced during the 1989 legislative session remain eligible for consideration during the 1990 session.

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

STRATEGIC GOALS FOR THE BOARD OF REGENTS. The Board Office recommended the Board approve the adoption of the final set of twelve (12) strategic goals which will guide Board of Regents' and Regent institutions' planning activities during the 1990-1994 cycle.

These goals were presented to the Board and approved preliminarily at the July 1989 Board meeting. Since the July Board meeting, the preliminary goals have undergone extensive review by faculty senate officers from the University of Iowa and Iowa State University. The combined recommendations of the two groups were submitted to the Board Office on September 8, 1989. Further recommendations for revisions to the preliminary goals were made by the Board Office. The set of goals presented now is, therefore, a synthesis of the recommendations of each contributing party.

One of the major differences between the Faculty Senate officers' list of goals and the original preliminarily-approved list is the senates' addition of a goal on graduate and professional education--one with which the Board staff fully concurs.

Due to the Board's expressed interest in and emphasis on minority participation, fund-raising and economic development, the Senates' more subtle coverage of these items was modified somewhat to better project the prominence of these factors on the Board's list of planning priorities.

The reorganization and rephrasing of goals done by the two Faculty Senates has greatly enhanced their clarity. Moreover, the Senates have supplied other elements missing from the previous document but which are important to strategic planning for Regent institutions.

These goals will represent the overarching goals of the Board and the Regent institutions and will serve as the foundation from which all Regent planning will emanate.

Regent Fitzgibbon proposed another goal which he suggested be numbered "13".

Encourage cohesiveness and cooperation within the Regent system.

Regent Fitzgibbon indicated that he had developed preliminary strategies for the goal but he felt that the strategies could be better developed by institutional officials and Board staff. The strategies which arose from that consultation include:

Strategies:

- * Encourage interinstitutional cooperation in and collaboration on major research endeavors and other educational projects.
- * Cultivate interinstitutional support for Board of Regent priorities and legislative efforts.
- * Promote effective communications among Regent institutions, the Board Office, and individual Regents.
- * Strengthen cooperation between the Board Office and the Regent institutions.
- * Identify opportunities for the Board Office to assist Regent institutions with cooperative initiatives.
- * Facilitate informal interactions between faculty members and the Board of Regents.
- * Develop ways for the Board Office to promote Regent institutions and secure support for specific institutional endeavors.
- * Foster communication among the administrations and faculties of the Regent institutions.
- * Support student efforts to articulate their concerns and to learn of Regent and institutional priorities.
- * Develop cooperative initiatives that involve the Board and personnel from all Regent institutions to promote public understanding of the role and importance of higher education.

Vice President Vernon said he was quite pleased with that addition. He then referred to goal 5, "Attract, develop and retain faculty, staff and students high in quality and diverse in composition" and stated the University of Iowa Faculty Senate is quite interested in specifying in one of the goals the gender issue. They were especially concerned because reference to gender was removed from goal 8, "Escalate efforts to increase the participation of

minorities in higher education". There is no proposed goal that deals with the issue of women faculty members. He suggested they amend goal 5 to read "Attract, develop and retain faculty, staff and students high in quality and diverse in race, ethnicity, nationality and gender".

Regent Hatch referred to goal 11, "Improve the flexibility, efficiency and accountability of governance throughout the Regent system", and asked about the proposed programs that could become duplicative and whether the Board should increase its scrutiny of proposed programs.

President Pomerantz said it is anticipated that the processes being put into place will address planning and Board review of programs.

Regent Hatch asked where that was specifically addressed. Director Barak stated that that was addressed in the Peat Marwick organizational audit report on program review methodology. One of the issues involved in that report was the program approval process. Regent Hatch felt that this issue should also be included in the Board of Regents' strategies.

MOTION:

Regent Berenstein moved to adopt the final set of strategic goals which will guide Board of Regents and Regent institutions' planning activities during the 1990-1994 cycle, with the three amendments, as follows: the 13th goal recommended by Regent Fitzgibbon, the inclusion of program review in goal 11, and Vice President Vernon's recommended amendment to goal 5. Regent Williams seconded the motion, and it carried unanimously.

POLICY ON RECRUITMENT OF STUDENTS. The Board Office recommended the Board approve a revision in the Board's policy on "Distribution of Information to Prospective Students" (6.24 Procedural Guide).

Section 6.24 of the Procedural Guide concerns the Board's policy on distribution of information to prospective students. This policy limits the Regent institutions to the use of free media except for urgent matters. In recent years it has become necessary to use paid media in order to provide adequate information to prospective students. This policy basically allows the institutions to use greater discretion in the distribution of information to prospective students.

MOTION:

Regent Hatch moved to approve a revision in the Board's policy on "Distribution of Information to Prospective Students" (6.24 Procedural Guide). Regent Furgerson seconded the motion, and it carried unanimously.

TUITION POLICY FOR FISCAL YEAR 1991. The Board Office recommended (1) the Board adopt the tuition rates shown below at the October Board meeting to be effective with the 1990 summer session.

TABLE 1
CURRENT AND RECOMMENDED TUITION RATES FOR REGENT UNIVERSITIES

	<u>RESIDENT</u>		<u>NONRESIDENT</u>	
	Current 1989	Proposed 1990	Current 1989	Proposed 1990
<hr/>				
University of Iowa				
Undergraduate	\$1,826	\$1,904	\$5,982	\$6,300
Graduate	2,162	2,254	6,236	6,568
Law	2,354	2,456	7,402	7,794
Medicine	5,752	5,998	14,760	15,542
Dentistry	4,240	4,422	11,534	12,146
Pharmacy	2,242	2,338	7,402	7,794
Iowa State University				
Undergraduate	\$1,826	\$1,904	\$5,982	\$6,238
Graduate	2,162	2,254	6,236	6,502
Veterinary Medicine	4,142	4,320	11,084	11,558
University of Northern Iowa				
Undergraduate	\$1,810	\$1,886	\$4,650	\$4,850
Graduate	2,010	2,096	5,126	5,346

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

Recommended tuition increases amount to 4.27 percent for residents and nonresidents at Iowa State and the University of Northern Iowa.

Proposed tuition increases at the University of Iowa amount to 4.27 percent for residents and 5.3 percent for nonresidents. The additional income was recommended for improvements in library services for students and computing. The percentage of educational costs borne by tuition and fees is expected to remain under 30 percent.

Resident undergraduate tuition rates at Regent universities did not increase as much as the Consumer Price Index from 1971 until 1986. For the 12 months ending June 1989, the rate of inflation as measured by the Consumer Price Index was 5.2 percent; proposed increases in resident tuitions are 4.27 percent.

Resident undergraduate tuition fees at the University of Iowa have been the lowest in the Big Ten for the last six years. In 1988-89, undergraduate resident tuition at all three Regent universities ranks seventh in comparison with their 11-institution peer groups.

Mr. Richey stated the tuition recommendations were for the Board's preliminary consideration. Under the Board's procedures the students have an opportunity to comment. He said the recommendations have been publicized well. The funds generated by the increase will be dedicated to computer and library services which will directly benefit students. There is a proposed budget increase recommendation of 15 percent in operating appropriations for the same year the tuition increase would be effective.

President Pomerantz expressed the philosophy of the Board of Regents that it is better to have tuition increases on an annual basis rather than a catch up basis. They are committed to the attitude and philosophy that tuition increases for the foreseeable future should be equal to or less than the annual rate of inflation.

Regent Fitzgibbon asked if the non-resident fee represents the full cost in tuition. Mr. Richey said it covers the fully-allocated costs of education. Director Eisenhower said it covers the total cost of non-resident instruction. When computing the cost of instruction, building repairs and similar costs are removed. Regent Fitzgibbon noted that the non-resident tuition then was probably somewhat on the light side.

Vice President Vernon referred to the Board Office recommended allocation of the tuition increase of \$2.3 million to be devoted to computers with the balance to go to libraries. He said the University of Iowa library need was so great he urged the Board to give university officials discretion to divide the money.

President Curris introduced two individuals from the University of Northern Iowa to speak on this subject: Lisa Raine, and David Boyer, President of the University of Northern Iowa Student Association.

Ms. Raine stated that in 1981 the Fair Labor Standards Act raised the minimum wage to \$3.35. In 1981 the University of Northern Iowa tuition was \$450/semester. In 1989 the tuition is \$905/semester but the minimum wage is still \$3.35. She expressed concern about students' ability to finance their education. She discussed the trends in the past 9 years. Loans have replaced grants. In 1981 students received 55.8 percent of their educational costs in the form of grants. In 1989 that is 46 percent. In 1981 \$2,754,000 was available to students in the form of guaranteed student loans; that amount is \$21,115,000 today. In fiscal year 1979, 2.5 percent of the federal budget was committed to education; that is 1.7 percent now.

Ms. Raine said that if the Regents approve the recommended tuition increase it will amount to a 93 percent increase in tuition since 1981 -- well above the rate of inflation. She said education is not a commodity this state can do without.

Students at the University of Northern Iowa are opposed to the tuition proposal. Numerous cards representing the opposition of students were carried into the meeting. Ms. Rain said that by voting "no" the Regents would send a message to the governor and legislature.

President Curris stated that for several years University of Northern Iowa officials have been interested in making progress toward equalizing tuition between University of Northern Iowa, University of Iowa and Iowa State University. At the present time the difference between the tuition for an undergraduate resident is \$8/semester. He said progress has been made in this direction during the last several years. University officials anticipate they will make an official request prior to the October Board of Regents meeting that the tuition increase at University of Northern Iowa include an additional \$16/year to equalize undergraduate resident tuition at all three Regent universities.

Mr. Boyer felt there may be a perception that the University of Northern Iowa cannot provide as high quality education as the other two Regent universities because its tuition is \$16 less expensive. The university is at its highest enrollment in history. Students who come to the university take into consideration money factors; however, students are more focused on what the university has to offer. University of Northern Iowa is nationally acclaimed in the areas of education and accounting.

Mr. Boyer said some people may feel that \$16 is such a minute amount they should close the gap and tack that on. He said that in 1986 University of Northern Iowa officials added a \$40/year fee to narrow the tuition gap. He questioned why the Board of Regents couldn't lower the tuition of University of Iowa and Iowa State University to equal the tuition at University of Northern Iowa. He also questioned whether it was fair to University of Northern Iowa students to add another 1 percent to the tuition increase as well as a possible health fee. The cumulative would call for tuition increase in excess of 6 percent.

In regard to the mandatory student health fee proposal, Mr. Boyer stated the University of Northern Iowa administration had involved students in the discussion. The Student Association believes student health is a necessary part of student life. The campus supports wellness. Financing student health services at University of Northern Iowa is not a problem. Mr. Boyer referred to an October 26, 1988, memorandum from Mr. Richey to the Board of Regents concerning student health services financing. In that memorandum only 3 alternatives were discussed. Mr. Boyer felt the state legislature may be the most appropriate source of funding for student health services. He suggested

they should explore a more user-intensive fee -- if the service must be provided the burden should rest on the users of the services. He felt other options for financing needed more serious consideration. Many of the students at University of Northern Iowa are from nearby communities and are covered by their parents' health insurance. Some students might prefer not to use the health services at all. He said a mandatory fee is not fair, especially to the non-traditional student.

Mr. Boyer said a precedent is set if this fee is approved. Any attempt at mandatory fees is a tuition increase; it's the same product in a new package. Students should not be asked to bear any more of the costs of education.

President Pomerantz welcomed State Representative Patricia Harper.

President Rawlings introduced Dan Shanes, President of the University of Iowa Collegiate Associations Council, and Geno Berta, Vice President of the Student Senate.

Mr. Shanes said an inflationary ceiling on tuition increases is a goal students have been pursuing for 4 years. Undergraduate tuition has increased 70 percent and non-resident tuition 130 percent since 1985. He said the 4.3 percent and 5.3 percent recommended tuition increases are a little deceptive. For the first time ever there is a serious proposal to impose a mandatory fee for student health services. He is concerned about the cost of education to students. The proposal is for tuition increases to be coupled with the student health fee. At the University of Iowa that would represent a 2 percent tuition increase. He said this is clearly a step backward. He noted that the University of Iowa officials are the only ones who believe they need a higher rate of income from non-residents. The only rationale are the broad claims for computerization. Non-resident students should not be treated simply as a source of funds.

Mr. Shanes said the tuition increase proposals of 4.3 percent and 5.3 percent are welcome; however, they cannot be considered separately from mandatory student health fees. He noted the strategic plan for the Board Office includes as its seventh goal improving access for all Iowans. The current proposal for a mandatory fee on top of a tuition increase for all students will make realization of the goals nearly impossible. The proposal for student health is to impose a fee while offering no increase in service. The University of Iowa student health service is currently open 23 percent of the week. If the University of Iowa is to support student health services then it should also maintain a financial commitment from its general fund.

Mr. Shanes urged the Board to reject the proposal for mandatory student health fees and to seek other means of financial support. He asked that they work with students regarding this fee. He noted that students have been kept informed. The university administration has been very forward and kept students informed along the development of the fee. He again asked that the

Board reject the proposals for the student health fee in order to not increase further the cost of an education.

Mr. Berta provided the names of three students who are no longer attending the University of Iowa because they did not have the financial resources to return. He asked that the Board consider the human factor. Whenever tuition increases some students will be cut out. He asked the Board to challenge the recommendation. He suggested they think about the high school students. One of the questions a high school student asked him was what is going on with tuition.

Mr. Berta referred to the mandatory student health fee proposals and said students can't afford the fee, especially students who work part-time jobs. \$80 is a tremendous amount of money. He hoped the Regents reject the recommendation and ask the state government for the money.

President Eaton introduced two Iowa State University student leaders to speak to the student health fee issue, Greg Brock and Russ Gunther.

Mr. Brock thanked the Iowa State University administration for being open in dealing with the issue. He said students recognize the need for affordable and accessible student health. A survey conducted by the Government of the Student Body indicated that over 60 percent of the students feel the state should help pay for student health care. He felt the goal of the Regents and the university administration is to provide high quality education while keeping costs as low as possible.

Mr. Gunther said three-fourths of the students at Iowa State University are ready to pay for health services either voluntarily or in office. Last year their student health fees were increased. The health center is there to serve everyone. It provides students with educated and informed life style choices. The health service monitors public health concerns. These are services that benefit the entire student body. He acknowledged the arguments against a mandatory fee: students only taking one class shouldn't have to pay the fee, students who have health insurance shouldn't have to pay the fee, some students can't afford the fee, and an additional fee with no added services. In regard to the concern about students who only take one class, Mr. Gunther said that according to the recommendations of the Iowa State University administration only students taking 4 courses or more will be asked to pay. In regard to the concern regarding students who cannot afford the fee, he said that under the proposed plan the mandatory fee would be included in the financial aid package. In regard to the concern for not adding services, Mr. Gunther stated that a survey on the Iowa State University campus indicated no visible needs were seen. This is not the case on the other two campuses. He invited representatives of the other universities to come take a look at Iowa State University's student health services.

Mr. Gunther encouraged the Board to implement the recommendations made by Iowa State University and to consider the mandatory fees when they set tuition. He asked that in its lobbying efforts the Board ask the legislature for more funding directly related to education.

President Eaton introduced Henry Hansen, Executive Director of United Students of Iowa.

Mr. Hansen stated that United Students of Iowa strives to represent the students of the three state universities. He said his main concern is if they approve a mandatory student health fee it will set a new precedent to let the students help fund a program the university no longer wants to. There is a recommendation for a 4.3 percent tuition increase. A new term today is the "cost of college". Besides the \$78 increase in tuition the Board is considering adding \$54 more in health fees. That means the "cost of college" is going up 7.2 percent next year. He feared the \$54 in health fees is only the beginning and will be with students forever after that. He said that members of the legislative subcommittee have said the issue of mandatory student health fees has not been discussed before the committee. University budgets are still being developed. He asked the Board to identify student health funding as a priority issue and ask the legislature for funding.

ACTION: President Pomerantz stated the Board received the recommendations on tuition rates by general consent.

BUDGET REQUESTS FOR FISCAL YEARS 1991 AND 1992. (a) Supplemental Appropriations Request Fiscal Year 1990. The Board Office recommended the Board approve the following operating budget supplemental appropriations request for fiscal year 1990.

University of Iowa	
Utilities	\$525,000
Opening New Buildings	917,000
Library Automation	150,000
Iowa State University	
Utilities	768,000
Opening New Buildings	601,000
Library Automation	100,000
University of Northern Iowa	
Library Automation	100,000
Iowa School for the Deaf	
Asbestos Removal from Girls Dorm	<u>100,000</u>
	\$3,261,000

The Board Office recommended supplemental appropriation requests in fiscal year 1990 of \$3.3 million. These funds will be used for utilities, opening new buildings, library automation and asbestos abatement.

Major institutional requests for supplemental appropriations not recommended by the Board Office include:

University of Iowa	
Administrative Systems	\$1,650,000
Ag Health & Safety	195,000
Iowa State University	
Administrative Systems	600,000
Energy Conservation Measures	462,000
University of Northern Iowa	
Administrative Systems	800,000
Opening New Buildings	120,000

Vice President Madden asked to address a couple of issues. He noted that the docket items concerning fiscal years 1991 and 1992 budget requests of (a) supplemental appropriations and (b) operating budget appropriations overlap. He prefaced his comments by saying that university officials have had a good working relationship with the Board staff concerning the budget requests. He felt Iowa State University had been treated fairly. One issue of concern was the Iowa State University utility funding area which is relevant to both (a) and (b) above. Utility funding has been an ongoing problem at Iowa State University for the last couple of years. He felt that Mr. Richey's recommendation for utility funding was still based on his annual 5 percent increase in funding. He expressed concern for debt service costs and the critical need for adequate utility maintenance. The Board Office recommendation does not provide sufficient support. This past year Iowa State University officials were forced to reallocate slightly over \$1 million to address utility needs and will continue to be faced with those kinds of problems. In the 1990 budget request the Board Office recommendation is \$460,000 lower than the amount needed. He felt the Regents should be aware of the impact of that deficit.

Mr. Richey said his recommendation recognized the need for Iowa State University officials to exercise management care and energy conservation in regard to its utility system.

Regent Fitzgibbon stated that if the recommendation was not realistic the Board should address it now.

Vice President Madden said the utility systems, which are very large, require a certain level of support. A major generator on the Iowa State University campus will be overhauled this fall at a cost of \$900,000.

President Pomerantz asked how much more than the recommended amount was needed. Vice President Madden responded that \$460,000 was their best estimate.

President Rawlings thanked Mr. Richey and his colleagues for arriving at a set of priorities that are right on the mark. However, he felt very strongly about one area that he wished to bring to the Board's attention. That concern was for the College of Medicine's research space needs. The College of Medicine is the most outstanding research college in the state of Iowa. The college acquires \$75 million of research funding every year. He said \$75 million is a major driver of economic development in Iowa. Those funds were brought from Washington, D.C., to Iowa as a result of the outstanding faculty. The college now ranks 9th in the U.S. among public colleges of medicine in the country. It derives 89 percent of its own budget in the college. The faculty is practically generating its entire budget. Also, due to the lack of research space, they are almost to the point of having to turn down grants. That is a point they never want to reach. They have begun to rent research space. He stressed that the College of Medicine faculty is the finest research faculty in the state of Iowa, and they have a desperate need for research space. The biology department is working more closely with the College of Medicine on joint research projects. Dean Eckstein and Dean Loewenberg are performing joint planning for a new research building. The research building is an important priority in the budget. Their request was for \$2.5 million; the Board Office recommendation was for \$1.0 million. He stressed that they are gaining greater efficiency by combining the research of the Department of Biology and the College of Medicine. He acknowledged that it will require a lot of work to get the project accomplished.

President Rawlings asked that the university be provided with the requested planning funds in order to begin the planning process. He said that to keep the top quality faculty they need to show there are plans for new research space. Stanford attempted to recruit two of the University of Iowa College of Medicine faculty. Both faculty members came very close to accepting the offers. Both faculty have now won major grants for their research for the University of Iowa. University officials will soon be in a position where they cannot offer faculty sufficient research space. They can retain and attract top faculty with the proposed research space.

President Rawlings stated that as far as the operating budget was concerned, University of Iowa officials were satisfied with the priorities. The need is for funding for the College of Medicine operating budget and research equipment.

MOTION: Regent Williams moved to approve the operating budget supplemental appropriations request for fiscal year 1990, as presented. Regent Furgerson seconded the motion.

AMENDMENT TO MOTION: Regent Greig moved to amend the motion to include the request for additional utility funding in the amount of \$460,000 for Iowa State University. Regent Hatch seconded the motion.

Mr. Richey stated that the staff recommendation for Iowa State University's utility system essentially puts the utility budget on its feet by fiscal year 1991 except for the issue of depreciation. He said the recommendation was consistent with some of the understandings at the time the program was authorized by the Governor and General Assembly. The recommended level has a strong chance of acceptance in the Governor's budget recommendation. He felt the recommendation was a very substantial improvement over previous years' utility budget recommendations.

President Eaton said there was no question the recommendation was a substantial improvement. However, university officials have had to reallocate from the academic area to cover utilities. The recommendation does not allow them to adequately recover the funds that were reallocated.

Mr. Richey said the recommendation relieves their budget in a way it has not previously been relieved. He felt the question was how much the Board wanted to relieve it.

Regent Williams questioned whether there was a risk in approving the full utility funding request. President Pomerantz said he felt the risk was in getting the askings up to 15 percent over last year's budget.

President Pomerantz welcomed Representative Don Schoultz to the meeting and said he was glad Representative Schoultz was present to hear the discussion.

Regent Williams said she felt uncomfortable increasing the amount of the request for utility funding if it will pose a problem for the total supplemental askings.

Regent Berenstein asked about the kind of reallocation university officials had in mind if the additional funding request does not occur. Vice President Madden said they haven't committed instructional resources, equipment funds or regular campus maintenance funds.

Regent Fitzgibbon said that if the funds are needed and can be justified they should make the request.

VOTE ON THE AMENDMENT: The motion carried with Regents Berenstein and Williams voting "no".

VOTE ON THE AMENDED MOTION: The motion carried with Regent Berenstein voting "no".

(b) Operating Budget Appropriations Request. The Board Office recommended the Board approve the operating budget requests for fiscal year 1991 and fiscal year 1992, as follows:

Board Office Appropriation Recommendations
for Fiscal Year 1991

	SUI	ISU	UNI	ISD	IBSSS	TOTAL
Fiscal Year 1990 Appropriation	212,485	167,277	53,393	5,797	3,173	442,125
Salary Annual (Merit)	1,629	963	582	278	155	3,607
Inflation	2,277	1,894	633	61	28	4,893
Utilities	1,804	1,285	125	0	0	3,214
Opening New Buildings	285	1,105	393	0	0	1,783
Salaries & Benefits (P&S)	14,113	12,535	3,280	262	115	30,305
Instructional Supplies	1,248	967	450	0	0	2,665
Enhancing Undergraduate Education	2,155	750	1,075	0	0	3,980
Minority Recruitment	670	670	360	0	0	1,700
Library Automation	700	500	425	0	0	1,625
Building Renewal	1,163	1,245	306	0	0	2,714
Administrative Systems	820	270	270	0	0	1,360
Enhancing Medical Education	1,000	0	0	0	0	1,000
Reaching Tomorrow's Students	500	500	200	0	0	1,200
Merit Scholarship	200	200	100	0	0	500
Faculty Start Up	1,000	1,000	0	0	0	2,000
Agriculture Research	0	4,000	0	0	0	4,000
FY 1991 Appropriation Recommended	242,049	195,161	61,592	6,398	3,471	508,671
Percent Increase	13.9%	16.7%	15.7%	10.4%	9.4%	15.1%
Dollar Increase	29,564	27,884	8,199	601	298	66,546

Board Office Appropriation Recommendations
for Fiscal Year 1992

	SUI	ISU	UNI	ISD	IBSSS	TOTAL
Fiscal Year 1991 Appropriation	242,049	195,161	61,592	6,398	3,471	508,671
Salary Annual (Merit)	1,757	758	596	282	172	3,565
Inflation	2,317	1,955	672	64	29	5,037
Utilities	1,769	1,856	131	0	0	3,756
Opening New Buildings	980	862	147	0	0	1,989
Salaries & Benefits (P&S)	14,028	12,395	3,280	275	120	30,098
Instructional Supplies	1,310	1,016	473	0	0	2,799
Enhancing Undergraduate Education	2,155	750	1,075	0	0	3,980
Minority Recruitment	670	670	360	0	0	1,700
Library Automation	300	200	150	0	0	650
Building Renewal	1,262	1,343	338	0	0	2,943
Enhancing Medical Education	1,000	0	0	0	0	1,000
Merit Scholarship	100	100	50	0	0	250
Agriculture Research	0	3,000	0	0	0	3,000
FY 1991 Appropriation Recommended	269,697	220,066	68,864	7,019	3,792	569,438
Percent Increase	11.4%	12.8%	11.8%	9.7%	9.2%	11.9%
Dollar Increase	27,648	24,905	7,072	621	321	60,567

While the operating budget requests focus on the state appropriation portion of the budgets, the importance of relating appropriations to the consolidated budgets is recognized. Consolidated budgets include both restricted and unrestricted funds. Restricted funds are received mainly from auxiliary enterprises such as residence systems and intercollegiate athletics. Unrestricted funds are more commonly called the general university funds. This portion of the institution's revenues comes from three main sources: sales and services, tuition and fees, and appropriations.

The Board Office recommended total institutional operating budget requests for fiscal year 1991 of \$932.9 million, an increase of 9.5 percent over fiscal year 1990. This recommendation includes an appropriation request of \$508.7 million, a 15.1 percent increase over fiscal year 1990. In fiscal year 1992, the appropriation request is \$569.4 million, an increase of \$60.8 million or 11.9 percent over fiscal year 1991 recommendations.

The fiscal year 1991 and 1992 recommendations include annualization of salaries and fringe benefits for merit staff. It also includes a 7 percent salary increase and adjustments for health and employee benefits for faculty and professional and scientific staff in each fiscal year.

Mr. Richey stated the recommended budget amounts and priorities coincide with the goals and objectives of the Board of Regents.

President Curris said he was disappointed that Board Office staff did not concur with the university's recommendation for \$1 million for strengthening teacher education. Those funds are to be channeled into two areas: 1) to attract senior faculty to help propel the university into a national leadership position and give them the kind of excellence they seek and 2) strengthen the university in the use of advanced technology in preparing teachers. He felt it was a legitimate request, builds on strengths of the university, and reflects its mission. He asked that the Board consider the request.

President Curris referred to the formula for enrollment growth as relates to the Board Office recommendations for strengthening undergraduate education. This year's calculations would be reflected and the university would receive funds for these students when they are juniors, assuming the legislature fully funds it. He said funding for enrollment growth will not be received until two years after the growth occurs. That is one of the difficulties experienced by University of Northern Iowa officials. They expend the money now and hope for reimbursement down the road.

President Pomerantz pointed out that the recommended request was already 15.1 percent higher than last year's budget.

Regent Furgerson said one of the main missions of the University of Northern Iowa is teacher education. She asked for the rationale of the staff recommendation.

Mr. Richey said the rationale was that University of Northern Iowa officials have some very important studies underway relative to teacher education that relate indirectly to this funding request. Once they have identified the direction to move as a result of the studies staff will be able to see exactly where the money will be applied.

Regent Tyler referred to the University of Iowa College of Medicine and the enhancing of medical education needs. State funding for the College of Medicine in the last 3 years is as follows: in 1987-88 they received \$1 million, in 1988-89 they received zero, and in 1989-90 they received zero. He said it seemed to him that in a part of the university where only 11 percent of the budget comes from state appropriations, and where the staff brought in \$72 million worth of grants to the state of Iowa, the Board of Regents should be able to do better than give them \$1 million.

MOTION: Regent Tyler moved to amend the Board Office recommendation to increase the \$1 million for the College of Medicine to \$2-1/2 million as the institution requested. Regent Fitzgibbon seconded.

Regent Williams asked for the Board Office rationale for its recommendation. Mr. Richey said the university has had a request in for several years for \$3 million. As Regent Tyler indicated, \$1 million was funded 3 years ago. He said there was no question that the amount of money is needed for that program. It is a question of whether they try to move the schedule up to catch up to the original schedule, as Regent Tyler proposed, or whether they try to phase it. He emphasized that there was no question in regard to the need. The Board Office recommendation was for an additional \$1 million for fiscal year 1991 and \$2 million for fiscal year 1992. At the end of fiscal year 1992 they would be \$500,000 short of where university officials proposed they be.

Regent Tyler said his recommendation was for a \$2-1/2 million request for each year -- \$5 million total.

President Pomerantz said the other issue is that the request is at 15.1 percent over last year's budget.

President Rawlings thanked Regent Tyler for making such a strong case on behalf of the College of Medicine. He suggested that if the amount of dollars in the operating budget concerned the Regents they could raise the priority ranking of the capital item for the College of Medicine high up on the list as the university's most important capital project. He said university officials

are willing to sacrifice some of the operating funds in order to achieve planning money for the research building. He stressed that it is vital to get the building started.

Regent Berenstein said that if President Rawlings is willing to sacrifice some of the operating budget in order to accommodate the planning for a new research building then the Regents should defeat the motion, and move the College of Medicine Research Facility from 21st to 4th in priority ranking.

President Pomerantz stated the Board Office tried to prioritize capital projects in a way that made sense given the expansiveness of the request, and to come down to something everyone could live with. He cautioned that when they start adding back these other capital projects there was a chance of putting enough "straw on the camel" to make the whole request collapse. They should be very thoughtful in this process to avoid damaging their whole capital program. He urged the Regents to defeat the motion and consider in the capital request docket item raising the priority ranking of the research facility.

VOTE ON THE MOTION:

The motion was defeated with Regents Berenstein, Furgerson, Hatch, Westenfield and Williams voting "no".

Regent Furgerson asked for further clarification from President Curris concerning his request for additional funding to strengthen teacher education and for strengthening undergraduate teaching. President Curris responded that the enhancing undergraduate teaching monies are to meet class needs where the class loads are the heaviest. The strengthening teacher education monies are to bring in top faculty in an effort to further strengthen the university's national prominence in teacher education. He said it was nice to talk about doing some studies and subsequently reallocating those funds but all of the institutions have been through a serious period of reallocation. He said he did not think reallocation was the answer to Iowa State University's need to strengthen agriculture nor was reallocation the answer to the University of Iowa's Medical School needs. The strengthening educational needs at University of Northern Iowa could not be addressed through reallocation.

Regent Furgerson said she did not think President Curris was suggesting reallocation as the means for financing these needs. Mr. Richey stated that one of the Board Office recommendations was to study the scope of the lab school which might relieve some funds.

Regent Fitzgibbon stated that if they can justify and document the need he thought they should request the funding. He believed education has top priority and the Regents should "go to bat" for anything the universities really need. He said it is time to play catch up.

President Pomerantz stated what was important was not what they request but what they get.

Regent Williams expressed support for President Curris' request. She said the Regents have, over the years, looked to the University of Northern Iowa for excellence in teacher education. She felt the request was appropriate and was in the area where the Regents have asked so much of the university.

MOTION: Regent Williams moved to approve the Board Office recommendation with the addition of the \$1 million requested by University of Northern Iowa officials over a period of 2 years. Regent Furgerson seconded.

Regent Williams said she assumed that with the approval of the motion university officials will be bringing top-level professors onto the University of Northern Iowa campus.

VOTE ON THE MOTION: The motion carried unanimously.

President Eaton said an Iowa State University student wished to address the Board. He stated that 2-1/2 years ago university officials worked out an agreement with the student body concerning construction of the Recreation/Athletic facility. That facility was being built without state funds. University officials indicated they would seek Board support for financing the general operation and maintenance of the facility. In that same year university officials indicated to the Regents they would request general Board support when the building was completed. In their original proposal to the Board Office for operating budget appropriations, Iowa State University officials asked for 2 sets of funding; the Board Office recommended the former and not the latter set of funding. President Eaton introduced Greg Brock to address the issue on behalf of Iowa State University students.

Mr. Brock expressed the general feeling of the students at Iowa State University regarding funding and operations of programs at the Recreation/Athletic Facility. Students feel that because of the agreement signed, the operation of the facility should not be paid for by student fees. Students are excited to see the building open. It will be a great addition to the campus. He said recreation services are a large part of the total college experience. The Government of the Student Body unanimously adopted a resolution that Iowa State University request Board support for operating the facility and that it not be supported out of student fees. He strongly urged the Board to approve the request.

Mr. Richey stated the Board Office did not recommend any funding for this building. He said legislators have shown unhappiness for building buildings such as the Recreation/Athletic Facility before consulting with them. Staff recommends the university have user charges.

Regent Hatch said she concurred with the Board Office that the Regents should not support recreational programs.

President Pomerantz asked for comments from special schools officials on the operating budgets.

Business Manager Aherns said Iowa School for the Deaf officials appreciated the opportunity to recognize all the support of the Board Office in developing the budgets, and for the recommendations to the Board. They feel it is an excellent budget, particularly with regard to the fire and environmental safety and deferred maintenance issues.

Superintendent Thurman stated that Iowa Braille and Sight Saving School officials also appreciated the support of the Board Office. He said the budget will be very beneficial to the school and will enable them to continue meeting the goals they have set. Support for faculty salaries is always an issue with regard to recruiting staff to the school.

(c) Capital Improvements Request and Ten-Year Building Plan. The Board Office recommended the Board (1) approve the capital recommendations prepared by the Board Office totaling \$67,456,000 in fiscal year 1991 and \$32,365,000 in fiscal year 1992; (2) approve the priority listing of capital requests for fiscal years 1991 and 1992; and (3) receive the institutions' Ten-Year Building Plan requests for fiscal year 1991 through fiscal year 2000 with the understanding that the Board Office will develop a report on the Ten-Year Building Program to be presented at the October Board meeting.

The Regent institutions' requested Ten-Year Building Programs are as follows:

University of Iowa	\$290,375
University of Iowa Hospitals and Clinics	57,437
Iowa State University	332,190
University of Northern Iowa	107,318
Iowa School for the Deaf	9,220
Iowa Braille and Sight Saving School	<u>550</u>
TOTAL	\$797,090

The Board Office recommendation for the Ten-Year Building Program will be brought to the Board for approval in October after further study and consultation with the institutions.

The Board Office recommendation was for a capital program of \$67.5 million for fiscal year 1991 and \$32.4 million in fiscal year 1992. In developing the recommendation the Board Office worked with the institutions and carefully reviewed the capital projects.

The Board Office recommendation by institution is as follows:

<u>Institution</u>	<u>Board Office Recommendation</u> (000s Omitted)		<u>Total</u>
	<u>FY 1991</u>	<u>FY 1992</u>	
University of Iowa	\$37,050	\$19,215	\$56,265
Iowa State University	17,400	9,025	\$26,425
University of Northern Iowa	12,231	4,000	\$16,231
Iowa School for the Deaf	<u>775</u>	<u>125</u>	<u>\$ 900</u>
TOTAL	\$67,456	\$32,365	\$99,821

STATE BOARD OF REGENTS
PRIORITY OF CAPITAL PROJECTS SUMMARY
FISCAL YEARS 1991 AND 1992
(000s Omitted)

--Priorities--

Board Office		Inst.	Project	FY 1991	FY 1992	TOTAL
Recomm.	Inst.					
1	1	ALL	Fire and Environmental Safety*	\$1,300	\$1,250	\$2,550
2	2,7	ALL	Deferred Maintenance**	12,375	11,825	\$24,200
3	3	SUI	Academic Building (New)	24,100	0	\$24,100
4	2	ISU	Laboratory Animal Facilities Remodeling	1,000	1,000	\$2,000
5	3	ISU	Electrical Tie Line	1,500	0	\$1,500
6	4	ISU	Sweeney Hall Addition	5,600	1,000	\$6,600
7	4	UNI	Seerley Hall Remodeling	4,715	0	\$4,715
8	5	UNI	Wright Hall Equipment	430	0	\$430
9	5	ISU	Livestock Units for Swine and Cattle Research (New)	3,900	1,375	\$5,275
10	4	SUI	East Campus Loop J	1,000	0	\$1,000
11	5	SUI	Chlorine Contact Basin	250	0	\$250
12	6	SUI	Water Treatment Plant	2,500	0	\$2,500
13	3	SUI	Water Distribution Improvements	0	240	\$240
14	4	SUI	East Campus Electric Loop K	0	770	\$770
15	5	SUI	Replace Water Stills	0	450	\$450
16	6	UNI	Replace Steam Distribution System	2,136	0	\$2,136
17	6	SUI	Security Lighting	0	400	\$400
18	Low	ALL	Energy Conservation***	4,800	5,000	\$9,800
19	3	ISD	Recreation Center Planning	50	0	\$50
20	9	ISU	Intensive Livestock Research Facility Planning	500	700	\$1,200
21	8	SUI	College of Medicine Research Facility Planning	1,000	2,000	\$3,000
22	9	SUI	International Center Remodeling	200	4,540	\$4,740
23	2	UNI	Recreation/Wellness Center Planning	100	750	\$850
24	10	SUI	Schaeffer Hall Planning	0	315	\$315
25	11	ISU	Innovative Instruction and Research Building for Engineering Planning	0	750	\$750
TOTAL				<u>\$67,456</u>	<u>\$32,365</u>	<u>\$99,821</u>
				=====	=====	=====
	*	SUI	Fire and Environmental Safety	\$500	\$500	\$1,000
		ISU		500	500	\$1,000
		UNI		250	250	\$500
		ISD		50	0	\$50
TOTAL				<u>\$1,300</u>	<u>\$1,250</u>	<u>\$2,550</u>
				=====	=====	=====
	**	SUI	Deferred Maintenance	\$5,000	5,000	\$10,000
		ISU		3,700	3,700	\$7,400
		UNI		3,000	3,000	\$6,000
		ISD		675	125	\$800
TOTAL				<u>\$12,375</u>	<u>\$11,825</u>	<u>\$24,200</u>
				=====	=====	=====
	***	SUI	Energy Conservation	\$2,500	5,000	\$7,500
		ISU		700	0	\$700
		UNI		1,600	0	\$1,600
TOTAL				<u>\$4,800</u>	<u>\$5,000</u>	<u>\$9,800</u>
				=====	=====	=====

President Pomerantz asked how the priorities are determined. Mr. Richey responded that health and safety projects are top priority and deferred maintenance would come next in order of priority. The priority for the academic building at the University of Iowa was already established, laboratory facilities at Iowa State University is an on-going project and the electrical tie line at Iowa State University is non-discretionary. Wright Hall is a building being completed and livestock research units are a priority of the Board and the state. A series of recommended items relate to utilities which are essentially non-discretionary. From this point the Board Office staff tried to put projects in the priority order as related to the missions of the institutions and concerns expressed by the Board. The International Center remodeling is necessary so the building can be fully utilized. The Recreation/Wellness Center has been a major priority of the University of Northern Iowa for several years. In regard to Shaeffer Hall, he said all of the Regents had seen the need in that building. Shaeffer Hall will be ready to remodel when the business classroom is completed. The major new building to get underway is the Iowa State University Engineering Building.

MOTION: Regent Berenstein moved to rank the College of Medicine Research Facility as #4 on the interinstitutional capital projects priority listing. Regent Hatch seconded the motion.

Regent Fitzgibbon suggested that the actual ranking be left for staff and institutional officials to determine.

President Pomerantz said the total recommended askings for fiscal year 1991 for capitals is \$67.5 million. He recommended to the Board and Board Office increasing that amount to \$75 million, and that the Board Office and institutional officials reprioritize the list and present it to the Regents the following morning.

WITHDRAWAL OF MOTION: Regent Berenstein withdrew his motion with the understanding that a revised priority listing would be presented to the Regents as the first agenda item the following day. Regent Hatch agreed to the withdrawal of the motion.

Regent Greig referred to the Meats Laboratory project at Iowa State University and questioned why university officials had lowered their priority ranking of that capital project. Vice President Madden said the main reason was in order to get some planning money this year for the new Engineering Building. The Meats Laboratory project will be back with a high priority next year.

Vice President Vernon stated that last year University of Iowa officials had the addition to the Engineering Building ranked close to the top of their priority listing. It was excluded from any sort of priority by the Board

Office because the duplication study was in progress. He said that assuming the Board adopts something close to the Peat Marwick recommendation for the University of Iowa engineering program, the program will be continuing. It has had a very serious space problem over the past several years. University officials would very much like it to be included in the reconsideration. They have a fine engineering school and a dreadful space problem that needs addressed in the near future.

EXECUTIVE SESSION. President Pomerantz requested the Board enter into closed session upon the request of an employee whose performance is being considered, pursuant to the Code of Iowa Section 21.5(1)(i).

MOTION:

Regent Berenstein moved to enter into closed session. Regent Williams seconded the motion, and upon the roll being called, the following voted:

AYE: Berenstein, Fitzgibbon, Furgerson, Greig, Hatch, Pomerantz, Tyler, Westenfield, Williams.

NAY: None.

ABSENT: None.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 7:30 a.m. on Thursday, September 21, 1989, and arose therefrom at 8:55 a.m. on that same date.

The following business was transacted on Thursday, September 21, 1989.

President Pomerantz welcomed State Representative William Brand.

President Pomerantz asked for discussion on the revised schedule of capital request priorities, which is as follows.

GENERAL
September 20-21, 1989

STATE BOARD OF REGENTS
PRIORITY OF CAPITAL PROJECTS SUMMARY
FISCAL YEARS 1991 AND 1992
(000s Omitted)

Priority	Inst.	Project	FY 1991	FY 1992	TOTAL	CUMULATIVE TOTAL
1	ALL	Fire and Environmental Safety*	\$1,300	\$1,250	\$2,550	
2	ALL	Deferred Maintenance**	10,188	5,913	\$16,101	\$18,651
3	SUI	Academic Building (New)	24,100	0	\$24,100	\$42,751
4	ISU	Laboratory Animal Facilities Remodeling	1,000	1,000	\$2,000	\$44,751
5	ISU	Electrical Tie Line	1,500	0	\$1,500	\$46,251
6	ISU	Sweeney Hall Addition	5,600	1,000	\$6,600	\$52,851
7	UNI	Wright Hall Equipment	430	0	\$430	\$53,281
8	ISU	Livestock Units for Swine and Cattle Research (New)	3,900	1,375	\$5,275	\$58,556
9	UNI	Recreation/Wellness Center (New)	5,850	5,150	\$11,000	\$69,556
10	ISU	Intensive Livestock Research Facility (New)	1,200	10,000	\$11,200	\$80,756
11	SUI	College of Medicine Research Facility (New)	3,000	10,000	\$13,000	\$93,756
12	ISU	Innovative Instruction and Research Building for Engineering Planning	750	0	\$750	\$94,506
13	SUI	East Campus Loop J	1,000	0	\$1,000	\$95,506
14	SUI	Chlorine Contact Basin	250	0	\$250	\$95,756
15	SUI	Water Treatment Plant	2,500	0	\$2,500	\$98,256
16	SUI	International Center Remodeling	4,740	0	\$4,740	\$102,996
17	SUI	Water Distribution Improvements	0	240	\$240	\$103,236
18	SUI	East Campus Electric Loop K	0	770	\$770	\$104,006
19	SUI	Replace Water Stills	0	450	\$450	\$104,456
20	UNI	Replace Steam Distribution System	2,136	0	\$2,136	\$106,592
21	SUI	Security Lighting	0	400	\$400	\$106,992
22	ALL	Energy Conservation***	4,800	5,000	\$9,800	\$116,792
23	ISD	Recreation Center Planning	50	0	\$50	\$116,842
24	UNI	Seerley Hall Planning	500	0	\$500	\$117,342
25	SUI	Schaeffer Hall Planning	0	315	\$315	\$117,657
TOTAL			\$74,794	\$42,863	\$117,657	
* SUI Fire and Environmental Safety			\$500	\$500	\$1,000	
ISU			500	500	\$1,000	
UNI			250	250	\$500	
ISD			50	0	\$50	
TOTAL			\$1,300	\$1,250	\$2,550	
** SUI Deferred Maintenance			\$4,100	2,500	\$6,600	
ISU			3,000	1,850	\$4,850	
UNI			2,500	1,500	\$4,000	
ISD			588	63	\$651	
TOTAL			\$10,188	\$5,913	\$16,101	
*** SUI Energy Conservation			\$2,500	5,000	\$7,500	
ISU			700	0	\$700	
UNI			1,600	0	\$1,600	
TOTAL			\$4,800	\$5,000	\$9,800	

MOTION: Regent Fitzgibbon moved to approve the recommended action, as revised. Regent Berenstein seconded the motion, and it carried unanimously.

(d) Tuition Replacement Appropriations Request. The Board Office recommended the Board approve the tuition replacement appropriation request of \$20,057,307 for fiscal year 1991 and \$20,182,456 for fiscal year 1992.

Tuition replacement appropriations have historically been made as an ongoing commitment of the Governor and General Assembly to meet the debt service costs of Academic Building Revenue Bonds. Debt service payments on the academic building revenue bonds are made from tuition and fee revenue with this appropriation serving as a replacement of that university revenue.

Tuition replacement needs were projected last month by the Board's financial advisor Springsted, Inc. The new projections are based upon revised debt service schedules and revised estimates of investment earnings as prepared by the universities.

At the end of the year 2013 the Board's outstanding and authorized academic revenue bonds will be amortized. Tuition replacement needs decrease each year after 1993. Projected tuition replacement needs for the next five years follow:

1990	\$18,550,653
1991	20,057,307
1992	20,182,456
1993	20,853,805
1994	20,408,980

Each year the Board's Bonded Indebtedness Portfolio is updated to describe the current status of the Board's bond indebtedness. The Portfolio has been updated through June 30, 1989. The report indicates there is currently principal outstanding which totals \$443,194,892 including academic revenue bonds, dormitory system bonds, self-supporting facility bonds and University of Iowa Hospitals and Clinics bonds. Issuance of additional academic revenue bonds authorized would bring the outstanding principal to \$476,794,892.

MOTION: Regent Tyler moved to approve the tuition replacement appropriation request of \$20,057,307 for fiscal year 1991 and \$20,182,456 for fiscal year 1992. Regent Williams seconded the motion, and it carried unanimously.

(e) Lottery Appropriation Request. The Board Office recommended the Board receive the institutional requests for lottery appropriations for fiscal year

1991 and fiscal year 1992 with final action taking place at the October Board meeting.

The Regent institutions requested the following lottery appropriations for fiscal year 1991 and fiscal year 1992.

	<u>FY 1991</u>
University of Iowa	\$ 7,761,000
Iowa State University	7,954,011
University of Northern Iowa	1,627,000

The Board Office is in the process of reviewing these requests and will be meeting with the institutions to review and discuss what impact these lottery requests will have on the State of Iowa.

The Board Office recognizes there has been an interim committee established for the purpose of developing a New Iowa Plan. The requests represent an attempt to identify lottery appropriation items that may be most compatible with the research and development thrusts of historical lottery appropriations. It is recognized that there may be other sources of funding which could apply to these projects.

ACTION: President Pomerantz stated the Board, by general consent, received the institutional requests for lottery appropriations for fiscal year 1991 and fiscal year 1992 with final action to take place at the October Board meeting.

(f) Board Office Appropriation Request. The Board Office recommended the Board approve the Board Office budget request for supplemental appropriations of \$63,324 for the fiscal year 1990 and appropriations of \$1,383,845 in fiscal year 1991. It was further recommended that the budget requests for fiscal year 1992 be authorized at \$1,363,914.

The supplemental request for 1990 is for a variety of purposes. It would offset the \$18,337 transferred from the Board appropriation for salary increases in mid-July, provide \$11,500 for acoustical treatment and other equipment for the new Board Office quarters, add \$14,000 to balance the Board's travel budget, eliminate an \$8,000 reduction for salary shrinkage which was not expected to come about, as well as other miscellaneous purposes.

The budget request for fiscal year 1991 includes three additional positions, including an Associate Director in Academic Affairs and an associate director for legal liaison activities as well as a secretarial position. The requested budget for equipment includes about \$25,000 for computerization of the office

as recommended by Peat Marwick, \$16,000 for replacement of a copier, \$3,400 for a telecopier.

MOTION: Regent Hatch moved to approve the Board Office budget request for supplemental appropriations of \$63,324 for the fiscal year 1990, appropriations of \$1,383,845 in fiscal year 1991 and budget requests for fiscal year 1992 be authorized at \$1,363,914. Regent Williams seconded the motion, and it carried unanimously.

REPORT ON STUDENT HEALTH SERVICES. The Board Office recommended the Board receive a report describing the universities' proposals for phasing in self-supporting student health services and docket further consideration of the proposals in October.

A recent review of the student fees charged at all three universities showed there are fees charged for items not directly related to instruction such as student health services. While the costs of providing these essential non-instructional services increase, the ability of the university general education funds to absorb the increases are diminished. The current structure of funding student health services promotes increasing independence on general education funds at the expense of academic programs.

A study last fall of financing student health services suggested that a self-supporting enterprise financed by service charges and mandatory student health fees would permit students access to basic health services without sacrificing academic programs. The Board has requested the universities to develop proposals for phasing in self-supporting student health services.

As requested by the Board, all three universities submitted for consideration this month plans to phase in self-supporting student health services funded through mandatory student fees and service charges.

Mandatory student health fees at each university would be established per semester as follows:

	<u>Actual FY 1990</u>	<u>Proposed FY 1991</u>	<u>Proposed FY 1992</u>	<u>Proposed FY 1993</u>
SUI	\$10.09	\$27.00	\$35.00	\$40.00
ISU	27.00*	27.00	35.00	40.00
UNI	3.50	10.00	15.00	20.00

* Voluntary fee

All three proposals retain some general education fund support for health education activities on each campus. The following amounts are proposed:

SUI	\$250,000
ISU	125,000
UNI	319,913

It is anticipated that the following amounts based on fiscal year 1990 budgeted expenditures will be available for reallocation in addition to the prior year's amount to other critical areas:

	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>
SUI	\$800,227	\$781,484	\$531,484
ISU	80,000	294,567	225,000
UNI	81,740	0	0

University of Iowa officials proposed to reallocate the freed-up funds to academic programs. Iowa State University officials proposed to reallocate the freed-up funds to student-related operating costs or to the reduction of miscellaneous fees or course fees. University of Northern Iowa officials proposed reallocating the freed-up funds to "other general education needs."

All three proposals allow for inflationary growth in student health services budgets. All three universities have consulted extensively with student groups in the development of these proposals.

Discussion of this docket item took place under the "Tuition Policy for Fiscal Year 1991" docket item which can be found earlier in these Minutes.

ACTION: President Pomerantz stated the Board, by general consent, received a report describing the universities' proposals for phasing in self-supporting student health services and docketed further consideration of the proposals in October.

ANNUAL REPORT ON ENERGY CONSERVATION. The Board Office recommended the Board receive the annual report on energy conservation.

The Board of Regents and the General Assembly have identified energy conservation as an issue in the effective governance of the Regent institutions. Energy consumption at all Regent institutions has been reduced by varying degrees since fiscal year 1979. The University of Iowa has reduced consumption 30.4 percent, Iowa State University 16.4 percent, and the University of Northern Iowa 18.6 percent. Energy consumption on a BTU per square foot basis increased at three of the Regent institutions last fiscal year and decreased at the other two institutions.

Regent institutions have completed or are nearing completion of the comprehensive engineering analyses and have identified \$40.4 million in energy conservation measures, with \$9.2 million in annual savings for a simple payback of 4.38 years.

While institutional reports indicate that significant progress has been made to identify opportunities for conserving energy, further coordination is needed to achieve the lowest possible levels of energy consumption and the highest possible levels of energy efficiencies.

MOTION: Regent Hatch moved to receive the annual report on energy conservation. Regent Greig seconded the motion, and it carried unanimously.

President Curris asked to make a brief comment regarding energy conservation. He said there are significant developments on each campus in reducing energy consumption. He felt that as they go into legislative hearings they should emphasize how efficiently the universities are operating. Energy conservation is a classic example of how the universities have worked hard to stretch the dollars they have even further. He felt this was a significant point they needed to communicate.

REPORT OF THE BANKING COMMITTEE.

Regent Fitzgibbon stated the Banking Committee declined to approve the recommendation to transfer the accounting, payroll and treasury functions of the special schools. Their instruction was to leave the systems as they are and monitor their progress. He said the Banking Committee approved the risk management policy and appropriation request for risk management to be included in the fiscal years 1991 and 1992 as well as the supplemental 1990 request.

MOTION: Regent Fitzgibbon moved to approve the risk management policy and appropriation request. Regent Berenstein seconded the motion, and it carried unanimously.

Regent Fitzgibbon stated the Banking Committee members asked the Board Office to provide additional information regarding the Board's total bonding program and capacity. The members discussed investments, and minimum amounts and qualifications for donors. He noted that some of the institutions may have donors that are putting restrictions on their donations. That issue will be studied and discussed at another Banking Committee meeting. There was also a request for the special schools to determine if there would be any cost savings in having a local independent auditor perform the auditing function.

REPORT ON CAPITAL PROCEDURES. The Board Office recommended the Board receive and approve the revised Chapter 9 of the Regents Procedural Guide.

The capital procedures were reviewed extensively in April 1988. The significant changes recommended at this time are as follows:

1. The requirement that the institutions complete an annual capital spending plan for Board approval at the same time current operating budgets are submitted for approval, consistent with the desire of the Board to review anticipated capital projects at the beginning of each year.
2. The threshold at which projects are reported on the capital register for Board approval increases from \$200,000 to \$250,000. The proposed change would require the institutions to list projects over \$50,000 on a quarterly capital report. Board approval of quarterly report on projects between \$50,000 and \$250,000 will constitute approval of projects subject to entry of the projects on the capital register when projects commence work. Projects between \$50,000 and \$250,000 not anticipated on a quarterly report must be submitted to the Board Office for approval. The Board Office may require the project to follow regular capital procedures based on the circumstances of each project.
3. Requires the institutions to review the advantages and disadvantages of fast tracking a project if project is selected to be fast tracked.
4. Requires the institutions to notify the Board and the Board Office prior to development of a short list for Architect and Engineer Services on projects over \$1 million.
5. A change in the semi-annual capital status report to a quarterly report. Senate File 546 requires quarterly reporting to a legislative capital projects committee.
6. The requirement that the institutions complete an annual capital energy conservation report in September of each year in accordance with statutory requirements.
7. The revisions of Section 14B, Notification of Violations or Decertification, required by Senate File 546.
8. Revisions consistent with recent U.S. Supreme Court rulings on Targeted Small Business set-asides and preferences.

Regent Tyler stated this was approximately the fifth time this item had been on the docket. The policy has gone back to the institutions three times. The basic intent of the revisions are to improve oversight and governance.

MOTION: Regent Tyler moved to receive and approve the revised Chapter 9 of the Regents Procedural Guide. Regent Fitzgibbon seconded the motion, and it carried unanimously.

REPORT ON THE INSTITUTIONAL ROADS PROGRAM. The Board Office recommended the Board (1) approve the recommended 1990 program totaling \$1,011,000 for construction and engineering, and \$285,000 for maintenance costs; (2) approve the recommended Five-Year Institutional Roads Program for 1991-1995; and (3) receive the list of identified, unfunded institutional road needs at the Regent institutions totaling \$12,296,000 and direct that these reports be forwarded to the Iowa Department of Transportation (IDOT).

The Institutional Roads Program for 1990 construction and maintenance is estimated at \$1,296,000:

Summary of Institutional Roads Program for 1990

Construction and Improvements

University of Iowa	\$383,000
Iowa State University	397,000
University of Northern Iowa	199,000
Iowa School for the Deaf	32,000
Iowa Braille and Sight Saving School	<u>0</u>

Subtotal \$1,011,000

Maintenance All Institutions \$ 285,000

TOTAL \$1,296,000

The annual amount programmed for maintenance and repairs is \$285,000.

The Regents' Five-Year Institutional Roads Program (1991-1995) anticipates spending \$5,925,000 for road construction and improvements, including maintenance:

Summary of Institutional Roads Program Five-Year Plan

Construction and Improvements

University of Iowa	\$1,786,000	
Iowa State University	1,811,000	
University of Northern Iowa	903,000	
Iowa School for the Deaf	0	
Iowa Braille and Sight Saving School	0	
Subtotal		\$4,500,000
<u>Maintenance All Institutions</u>		<u>\$1,425,000</u>
TOTAL		\$5,925,000

Unmet construction needs total \$12,296,000:

Summary of Unmet Construction Needs
(000s Omitted)

University of Iowa	\$ 1,317
Iowa State University	8,938
University of Northern Iowa	2,041
Iowa School for the Deaf	0
Iowa Braille and Sight Saving School	0
TOTAL	\$12,296

MOTION: Regent Greig moved to approve the recommended action. Regent Hatch seconded the motion, and it carried unanimously.

ACCREDITATION REPORTS. The Board Office recommended the Board receive the report on accreditations of the University of Iowa's Physician Assistant Program, Physical Therapy Program and Dental Programs, and the Engineering Programs at Iowa State University.

The Physician Assistant program at the University of Iowa was reaccredited for five years. The accreditors noted eight major strengths of the programs and offered four suggestions for possible improvements.

The Physical Therapy program at the University of Iowa was reaccredited for eight years. The evaluators felt "this program is an excellent one." They cited 12 significant strengths of the program and found five weaknesses which are being addressed by the program and the university.

The Doctor of Dental Surgery, Dental Hygiene, and all Advanced Dental Education programs except Endodontics received reaccreditation for seven years at the "approval" level, the highest level given by the Commission on Dental Accreditations of the American Dental Association. The Advanced Dental Education program in Endodontics was accredited at the "conditional approval" level, the second highest level. A progress report on the concerns raised by the evaluation team about the Endodontics program is to be submitted to the Commission by March 1, 1990. College of Dentistry officials are not clear as to the evaluators' concerns about Endodontics, believe that some confusion may exist, and are following up to clarify the situation with the Commission.

The Aerospace Engineering, Agricultural Engineering, Ceramic Engineering, Chemical Engineering, Civil Engineering, Computer Engineering, Construction Engineering, Electrical Engineering, Engineering Science, Industrial Engineering, Mechanical Engineering, and Nuclear Engineering programs at Iowa State University have been reaccredited.

The Metallurgical Engineering program must show cause why accreditation should not be terminated. Accreditation is continued in the interim to allow time for deficiencies to be corrected.

The evaluators found substantial progress has been made on concerns raised in their last accreditation visit in most programs but had concern over continued faculty "inbreeding," inadequate laboratory equipment and facilities, insufficient "design" elements in the undergraduate curriculum in several programs and the use of endowment funds to cover on-going expenses that should be covered by state/university funding.

The evaluators noted that Iowa State University engineering programs have a long tradition of strength and national reputation, and noted that a positive atmosphere exists at the university. The evaluators found the faculty to be enthusiastic, competent, and dedicated; though the recently-increased emphasis on research is causing some "uneasiness" over future direction.

President Eaton referred to the accreditation report of the Iowa State University College of Engineering and said the report was generally very positive. The program has been through a difficult time. One concern is the cost of undergraduate program delivery. The college has a new dean who is proceeding with reorganization of the college. He said the one negative section of the accreditation report concerns the metallurgical engineering program. He said the College of Engineering is one of the pillars of Iowa State University. The college was over-subscribed in the early-1980s and experienced heavy student enrollment. University officials subsequently capped enrollments. The university could not provide the needed resources to the college in response to the heavy enrollments.

President Eaton stated that in 1987 he invited several engineering deans and industrial representatives to spend two days on campus reviewing the College

of Engineering, and to tell university officials what they thought was right and wrong about the programs. In the fall of 1986 he traveled around the country and met Iowa State University alumni who hired Iowa State University engineers. He was delighted to discover that in many instances either the chief executive officers or chief operations officers were Iowa State University engineering graduates. That signified to him that at least a generation ago Iowa State University was providing an outstanding engineering education.

President Eaton specifically addressed the metallurgical engineering program. He noted that the evaluators felt the program had made some progress since the last accreditation visit but is still deficient in several respects: (a) inadequate undergraduate laboratories, (b) an overreliance on Ames Laboratory for support of various kinds, (c) a widely scattered faculty in facilities around the campus, and (d) growing course substitutions in the curriculum because of inadequate facilities.

President Eaton said it was ironic that this area of engineering is where the basis for the magnets manufactured by Ames Specialty Metals was derived. Also, it was the area of the university's first technology transfer. The evaluators felt that Iowa State University remains strong in research but in their view is not strong in instruction. President Eaton noted that when he arrived on campus there was an antagonistic relationship between the College of Engineering and the Ames Laboratory. The new director of the Ames Laboratory and the new dean of the College of Engineering are working hard to resolve that conflict.

Regent Hatch asked about the ceramic engineering program at Iowa State University. President Eaton said ceramics plays a valuable role in high technology. He felt that role should alleviate what the evaluators said about that program.

ACTION: President Pomerantz stated the Board, by general consent, received the report on accreditations of the University of Iowa's Physician Assistant Program, Physical Therapy Program and Dental Programs, and the Engineering Programs at Iowa State University.

ADMINISTRATIVE RULES ON MINORITY RECRUITMENT. The Board Office recommended the Board approve the Policy on College-Bound Program for recruiting minority students to Regent universities.

Each university is developing college-bound programs for elementary, middle and secondary school minority students and their families. Vouchers will be awarded to students and the student's family who attend college-bound programs. Students holding vouchers and enrolling at Regent institutions will

receive priority in award of funds under the "Iowa Minority Academic Grants for Economic Success" (IMAGES) program.

Compliance Officer Maxwell stated that Julia Mears had assisted in drafting the rules. He noted that a full report on minority recruitment will be presented in October.

Regent Furgerson asked that persons working on the Regents' minority recruitment program be sure to work closely with the families of the students in middle schools. She said those students need to know what courses they will need to take for college preparation in high school. Not having taken those courses could "lock" them out of college. Compliance Officer Maxwell said university officials developed a very nice brochure on college entrance requirements. Regent Furgerson cautioned that using brochures was not enough. Some adults can't read. As an example she said Waterloo's Black radio station would be one method for passing the message along. She urged university officials to use lots of different strategies for reaching minority students.

MOTION:

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

SUSPENSION OF HART COMPANY. The Board Office recommended the Board approve the suspension of The Hart Company from conducting business with Regent institutions for a minimum of two years.

In April 1987 an agreement was executed between the Board on behalf of Iowa State University and The Hart Company, Inc., for cost consulting services for the Recreation/Athletic Facility project.

University officials contend The Hart Company did not perform adequately the services required in the agreement. Specifically, there were items in the estimate that were priced incorrectly and others that were left out completely. The estimate did not include appropriate contingency allowances to offset the errors which is an indication of the inexperience of The Hart Company's estimating team.

Minutes of the June 1988 Board meeting reflect the Board's dissatisfaction with the cost consultant on the Recreation/Athletic Facility project.

The Attorney General's Office has reviewed the facts and concurs with the recommended action.

The University of Iowa has never utilized the services of The Hart Company. The University of Northern Iowa used the company on one occasion and

experienced the same discrepancies between the company's estimate and the lowest bid.

Vice President Madden stated this recommendation came to the Board of Regents from Iowa State University officials only after extensive discussion between representatives of the Hart Company, Board Office and Iowa State University. He said the construction costs were substantially above the estimated costs presented by Hart Company. In order to proceed with the project the university was forced to incur substantial additional costs. University officials proposed what they felt was an appropriate resolution of the increased costs. The company does not believe the recommendations are appropriate. This matter has been reviewed extensively on the campus and by the Board Office. University officials do not believe the services provided were at the level expected.

Regent Tyler referred to the Board Office recommended action and asked why the words "for a minimum of two years" were included. Mr. Richey said that wording was included to ensure the Hart Company is off the list of approved bidders for at least 2 years. The recommended action will give the company as well as the institutions timely notice.

Regent Tyler felt there should be a period after the word "institution" in the Board Office recommendation.

John Templer, an attorney from Des Moines representing The Hart Company, introduced Helen Hart and John Hart. He said the Hart Company is a specialty company and is not a contractor. It performs cost estimating services. Only four companies in the state of Iowa specialize in cost estimating services. By approving the Board Office recommendation he said the Board would be eliminating one of the only four companies that offer this service.

Mr. Templer referred to the federal contractors debarment regulations for the federal government to debar a contractor. Those regulations cite the following causes: lack of integrity or honesty, willful failure to perform and history of failure to perform. He said there is no similar list of reasons in this state to undertake what the Board was being asked to do. In reviewing some of the Board's regulations in its Procedural Guide he noted there was a list of reasons why suppliers may be suspended but none of the reasons seem to apply whatsoever to this case. There are no guidelines to suppliers to judge their conduct. In regard to case law he said the principles of responsibility for contractors involved standards of business.

Mr. Templer said university officials have told the Regents in various documents they consider The Hart Company to be incompetent; yet, apparently The Hart Company could suddenly become a competent bidder if it pays to the university \$19,000. He said that when this situation first occurred the company was asked to and did work to get the price within range as much as possible. The company spent several hundred hours doing so. It was not until

after the Hart Company had devoted the extra time that university officials demanded the company pay an additional \$19,000. Mr. Templer said it was his understanding that the additional cost to the university was \$29,000. It wrote off \$10,000 and then university officials asked Hart Company to pay the difference of \$19,000.

In regard to the accusation of breach of contract, Mr. Templer questioned how The Hart Company breached the contract. He said the job of estimating is not a precise science and the contract takes that into consideration. The Hart Company's obligation is to use their best estimate. Mr. Templer said he did not believe there had been any allegation that the company did not use its best judgment. He said there were prior contracts between Iowa State University and The Hart Company.

Mr. Templer said the Recreation/Athletic Facility was being constructed through the fast-track process. The Hart Company provided input at four different phases and did so as a team. He referred to a "conference memo 16" which he said indicated the cost estimating was a team approach. Mr. Templer described the four phases and the cost estimate at each phase. He said the company only had several weeks to do the 75 percent estimate. When that was done the document was reviewed by the design professionals. Hart Company officials were told by the design professionals with respect to the mechanical portion they thought they were "light". When the Hart Company did the 95 percent completion cost estimate they included additional funds for the mechanical portion. The final estimate was done after Hart Company officials had the drawings for only 2 weeks. The project was not let for bids for 2 months after the completion of the final estimate. He suggested price inflation came into play due to the delay in bidding the project. He said the bids came in 11 percent higher than the cost estimate. He said university officials added \$290,000 worth of changes the Hart Company was not told about.

Mr. Templer said the bottom line is that this is not a precise science. Since the Hart Company completed its work on the Recreation/Athletic Facility it has had other opportunities to do business with Iowa State University. When inquiring about these opportunities Hart Company officials were told the university would not do business with them. Therefore, he felt The Hart Company had already been suspended from doing business with the university since June 1988. If The Hart Company is debarred for a period of 2 years based on an 11 percent deviation he questioned whether the next cost consultant would feel a need to increase its cost for price consulting. He questioned whether 11 percent is evidence of incompetence. He said the Hart Company has done 27 projects for Iowa State University. This was just one of them.

Mr. Templer said that in light of the fact that Hart Company officials have been turned down when they requested information on other Iowa State University projects, he felt they had effectively already been debarred. He cautioned that the university may be asking for trouble in the future from

other cost consulting firms. He noted that Vice President Madden had been very courteous and cooperative. There was no personal animosity; this was simply a business matter.

Regent Berenstein questioned whether the Attorney General's Office had reviewed this case and issued a written legal opinion. Director Wright said he delivered the documents to the Attorney General's Office, they reviewed the documents and said they were satisfactory. They did not issue a written opinion. Regent Berenstein questioned whether the Attorney General's Office would issue a written opinion. Director Wright said he believed they would.

Regent Tyler said he did business with the Hart Company a long time ago and disqualified himself from voting on the issue.

President Pomerantz asked if the figure "11 percent" was an accurate representation of the amount of difference in the cost estimate and the low bid. Vice President Madden said it was not an accurate figure. Their projection was, in fact, 17 percent above the lowest bid. Through adjustments it was reduced to a 16 percent, then 11 percent and finally a 9 percent difference. Even with all the adjustments the estimate was still 9 percent above the lowest bid. One issue concerned the pricing on some of the materials. University officials felt it could have been more accurately estimated. The Hart Company was hired to provide a level of professional services which university officials felt they did not provide and for which Hart Company had been compensated. He said the company elected not to reimburse the university the \$19,000. Hart Company representatives have been cooperative in the discussions. At one point company officials asked for reimbursement for the time they spent attempting to bring the costs in line with the budget. University officials did not pay.

President Pomerantz asked about the standards when hiring a cost consulting firm. Vice President Madden said the selection is done through an interview process.

President Pomerantz asked what would prevent university officials from just not hiring the Hart Company for future projects. Vice President Madden said they could do that but preferred to be straight forward.

Regent Berenstein asked if the company had performed 27 projects satisfactorily for the university. Vice President Madden said the work prior to this project at Iowa State University had been satisfactory.

Regent Berenstein asked when the debarment period would start. Vice President Madden said it would begin from this point in time. He noted that Iowa State University has not had any major projects since the Recreation/Athletic Facility for which cost consultants would have been retained.

Regent Hatch asked if university officials seek bids for cost consultants. Vice President Madden said they do not seek bids. They solicit proposals and perform reviews and negotiations. They evaluate cost and the level of professional services.

President Pomerantz said he was confused by the statements from both parties that there are no personality issues. He questioned that if it were left on a business basis why wouldn't Hart officials have settled for the \$19,000. He questioned whether debarment was preferred by Hart Company. He suggested they go back to the bargaining table and negotiate a settlement. He felt the resolution was across a negotiating table and asked that they go back and try it again.

MOTION: Regent Berenstein moved to table this matter. Regent Hatch seconded the motion, and it carried with Regent Tyler "abstaining".

Regent Williams said she assumed something will happen in the mean time.

Regent Hatch asked that staff obtain a written Attorney General's opinion.

APPOINTMENTS TO ORGANIZATIONS. The Board Office recommended the Board approve the following appointments to the Iowa School for the Deaf and Iowa Braille and Sight Saving School Advisory Committees, and the Narrowcast Committee.

Appointments to Iowa Braille & Sight Saving School Advisory Committee

Dr. Jerry N. Kuhn
College of Education
University of Iowa
(New appointment for 2 years, until end of 1990-91 school year)

Dr. Kathryn C. Gerkin
College of Education
University of Iowa
(New appointment for 1 year to fill unexpired term of Dr. Kenneth Kavale who has resigned.)

Dr. Virgil S. Lagomarcino
Dean, College of Education
Iowa State University
(Re-appointment for 2 years, until end of 1990-91 school year)

Dr. Marion Thompson
College of Education
University of Northern Iowa
(Re-appointment for 2 years, until end of 1990-91 school year)

Appointments to Iowa School for the Deaf Advisory Committee

Dr. Jerry N. Kuhn
College of Education
University of Iowa
(New appointment for 2 years, until end of 1990-91 school year)

Dr. Virgil S. Lagomarcino
Dean, College of Education
Iowa State University
(Re-appointment for 2 years, until end of 1990-91 school year)

Dr. Marion Thompson
College of Education
University of Northern Iowa
(Re-appointment for 2 years, until end of 1990-91 school year)

Appointment to the Narrowcast Advisory Committee to Iowa Public Television to fill a position.

Dr. Robert J. Barak
Deputy Executive Director and Director of Academic Affairs
State Board of Regents

MOTION:

Regent Williams moved to approve the appointments to the Iowa School for the Deaf and Iowa Braille and Sight Saving School Advisory Committees, and the Narrowcast Committee. Regent Furgerson seconded the motion, and it carried unanimously.

Regent Hatch referred to the special schools' advisory committees and noted that the ones presented appeared to be educator-type advisory committees. She asked if there will be another advisory committee comprised of parents, citizens and teachers for the purpose of discussing strategic planning, and goals and objectives. Director Barak said the committee Regent Hatch referred to was the committee discussed under the docket item "strategic goals for the Board of Regents" the previous day. He said that committee would be established.

REQUESTS FOR REVIEW OF INSTITUTIONAL DECISIONS. (a) Faculty. The Board Office recommended that the Board deny the request of the employee for review of a final institutional decision.

Note: The Board had before it a CONFIDENTIAL memorandum and supporting documents in this matter.

The employee's request for review of a final institutional decision was before the Board pursuant to Board of Regents Procedural Guide Section 2.07 as further explained by Section 4.25.

The employee was appealing the decision of the institution in a sexual harassment complaint.

The Board Office review of the documents submitted by the employee and the university relative to this matter concluded that the process and conclusion are consistent with the laws and regulations governing public employees and are substantially in compliance with policies and procedures of the Board and the university. The Board Office recommended that the Board not review the final institutional decision.

The Board's decision in this matter represents final agency action for which the employee may seek judicial review as permitted by law.

MOTION: Regent Tyler moved to deny the request of the employee for review of a final institutional decision. Regent Williams seconded the motion, and it carried unanimously.

(b) Students. The Board Office recommended that the Board deny the request of the students that the Board review a final institutional decision affecting them.

Note: The Board had before it a CONFIDENTIAL memorandum and exhibit relating to this matter.

University officials claim students were involved in a protest at the university. The students were disciplined as a result of their activities. The students claim that to punish them violates their rights to freedom of speech and is inconsistent with their acquittal in a court of law on charges arising out of the same incidents.

The university's discipline of the students flows from the students' interference with the rights of others and interference with the operations of the university, not from their exercise of free speech rights. The students were found in violation of the university's General Conduct Regulations in the Code of Student Life.

The Board Office reviewed the record as submitted by the parties and recommended that the Board not grant the requested review of a final institutional decision. Denial of the request for review would represent final agency action for which the students could seek judicial review as permitted by law.

MOTION: Regent Williams moved to deny the request of the students that the Board review a final institutional decision affecting them. Regent Tyler seconded the motion, and it carried unanimously.

(c) Student. The Board Office recommended that the Board deny the request of the student for review of a final institutional decision which cancelled the student's enrollment.

NOTE: The Board had before it a CONFIDENTIAL memorandum and documents concerning this matter.

The student's enrollment was cancelled for unsatisfactory academic performance. The student followed the appropriate appeals processes within the university and the decision to cancel the enrollment was sustained.

The Board Office reviewed the documents submitted by the parties and believes the procedures used by the university in this matter conform to the requirements of laws, rules and regulations concerning dismissal of students for academic reasons. The Board Office recommended that the request for review be denied.

MOTION: Regent Fitzgibbon moved to deny the request of the student for review of a final institutional decision which cancelled the student's enrollment. Regent Furgerson seconded the motion, and it carried unanimously.

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

The Register of Personnel Changes for the month of September included the following actions:

APPOINTMENTS:

MARTHA KIRKER as Assistant Director of Academic Affairs, effective September 5, 1989, at an annual salary of \$35,000 plus the usual fringe benefits; and

LISA A. BROWN, Clerk I (receptionist), effective September 12, 1989, at an annual salary of \$12,272 plus the usual fringe benefits.

TERMINATION:

SANDRA ROBINSON, Clerk I, (receptionist) effective September 8, 1989.

RESIGNATION:

CHARLES K. WRIGHT, Director of Personnel and Employment Relations, effective October 19, 1989. Mr. Wright has resigned to accept the position of Associate Vice President for Human Resource Development with the University of Wisconsin System.

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

President Pomerantz, on behalf of the Board of Regents, expressed their profound appreciation to Director Wright for facilitating the Board's activities, and for his dedication and commitment. He said it was with a substantial amount of mixed feelings that they accepted his decision. He wished Director Wright the best for the future.

Vice President Vernon expressed his personal thanks to Director Wright.

REVISION OF MERIT SYSTEM RULES AND CLASSIFICATION PLAN. The Board Office recommended that the Board approve (1) final adoption of the Merit System rule revisions which were initially approved by the Board in May 1989 and (2) the establishment of a new classification, Asbestos Abatement Worker in pay grade 207 (\$15,641.60-\$20,113.60).

The Administrative Rules process requires final adoption of rules following a review by the Legislative Rules Committee and a public hearing. The proposed rule revisions which concern classification and testing are not substantive and were recommended only for purposes of clarification.

No questions or suggestions were made by the Legislative Rules Committee and no comments were received at a public hearing on the proposed revisions held on August 15, 1989.

The Asbestos Abatement Worker classification is needed to give appropriate recognition to employees who remove, encapsulate and encase asbestos in building and steam tunnels. The proposed new class will be subject to implementation through the collective bargaining process. The pay grade assignment of the new class has been determined by a point count evaluation of the duties and responsibilities.

MOTION: Regent Hatch moved to approve (1) final adoption of the Merit System rule revisions which were initially approved by the Board in May 1989 and (2) the establishment of a new classification, Asbestos Abatement Worker in pay grade 207 (\$15,641.60-\$20,113.60).

Regent Furgerson seconded the motion, and it carried unanimously.

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

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

Regent Tyler stated that some time ago the Board of Regents made the decision to hold some of its meetings in various parts of the state. In looking at the future meetings schedule he said he did not see meetings scheduled off campus at any location other than Des Moines. He believed everyone thought it was a good program.

Regent Hatch said one condition on where they hold their meetings may be the ability to travel, which is a consideration for the Board Office in scheduling meetings.

Regent Fitzgibbon said he felt the Board Office should review the schedule with the idea of continuing the practice of holding meetings in various locations throughout the state. He felt the program had been successful. Regent Williams asked that they visit every site before returning to where they have been.

Regent Hatch asked that in revising the meetings schedule it be remembered that Regents may have plans during the next 3 to 4 months based on the meetings schedule previously presented.

ACTION: President Pomerantz said the Board Office would get back to the Board with potential changes in the meetings schedule.

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

University of Iowa officials proposed a Bachelor of Arts degree program in Soviet and Eastern European Studies. The program will be an interdisciplinary program that involves faculty in the departments of Economics, History, Political Science, and Russian. The program will provide a course of study in fundamental aspects and concepts basic to an understanding of the Soviet and Eastern European area.

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

BUILDING NAME. University officials requested approval to name the Human Biology Research Facility as the John W. Eckstein Medical Research Building.

MOTION: Regent Berenstein moved to approve naming the Human Biology Research Facility as the John W. Eckstein Medical Research Building. Regent Fitzgibbon seconded the motion, and it carried unanimously.

NAME OF INSTITUTIONAL ROAD. University officials requested approval to name an institutional road "Elliott Drive".

University officials proposed to name the road which runs north and south between Hawkins Drive and Newton Road along the east side of Carver-Hawkeye Arena "Elliott Drive". This initiative would honor Chalmers W. ("Bump") Elliott, who has been director of men's intercollegiate athletics at the University of Iowa since 1970.

MOTION: Regent Berenstein moved to approve naming an institutional road "Elliott Drive". Regent Fitzgibbon seconded the motion, and it carried unanimously.

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

PERMISSION TO PROCEED WITH PROJECT PLANNING

Energy Management Program Implementation--Phase II-- West Side Academic Facilities

The university's comprehensive audit resulted in the identification of a number of potential energy conservation projects. Implementation of all projects would require a capital investment of \$34.7 million, with total projected savings estimated at \$7.2 million, representing a simple payback of

4.9 years. The list of potential projects will be refined and prioritized before the final selection is determined. The projects identified represent six general areas: (1) athletics; (2) general fund buildings--east and west side; (3) University Hospital and Hospital School; (4) Iowa Memorial Union; (5) residence halls; and (6) Utility Enterprise.

Implementation of the program is continuing with this project covering west side academic buildings (Phase II) and will be accomplished in phases with all projects scheduled for completion by 1994.

University officials recommended the selection of The Durrant Group, Inc., of Dubuque, Iowa, as design engineers for this project. The Durrant Group was the preferred choice from the four firms interviewed. University officials will proceed with the negotiations of a contract using the standard form of agreement for final design and contract administration. The contract will include a provision providing for the verification of projected savings for each conservation measure individually and all projects collectively. University officials also requested the Executive Director be authorized to sign the negotiated contract.

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted one new project for approval by the Board.

University Hospitals and Clinics--Clinical Cancer Center
and Topping Out of the John Pappajohn Pavilion \$32,460,000

Preliminary Budget

Construction	\$26,716,000
Architectural and Engineering Support	1,736,600
Planning and Supervision	1,335,800
Contingency	<u>2,671,600</u>

TOTAL	\$32,460,000 =====
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Source of Funds: Gift of Mr. and Mrs. John Pappajohn	\$ 3,000,000
Building Usage Funds	<u>29,460,000</u>

TOTAL	\$32,460,000 =====
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The Clinical Cancer Center will largely consolidate the University Hospitals inpatient care nursing units, ambulatory clinics, diagnostic and therapeutic procedure facilities, and educational and clinical research supporting units related to cancer which are now dispersed throughout the hospital complex.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, September 20 and Thursday, September 21, 1989.

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

1. Register of Personnel Changes for July 1989.
2. Appointments as follows:

EDWARD J. CONLON as Acting Chair of the Department of Industrial Relations and Human Resources in the College of Business Administration for a one-year term effective August 23, 1989, at an academic-year salary of \$69,300;

LAWRENCE E. GELFAND as Chair of the Department of History in the College of Liberal Arts for a three-year term effective August 23, 1989, at an academic-year salary of \$65,600;

ALBERT B. HOOD as Chair of the Division of Counselor Education in the College of Education for a three-year term effective August 23, 1989, at an academic-year salary of \$56,640; and

JOYCE MOORE as Acting Director of Evaluation and Examination Service for one year effective August 15, 1989, at a fiscal-year salary of \$36,100.

Vice President Vernon presented the following supplemental appointments:

SUSAN L. MASK as Acting Director of the Office of Affirmative Action and Assistant to the President, effective September 15, 1989, at a fiscal year salary of \$50,000.

ANN MARIE RHODES as Acting Director of University Relations, effective September 1, 1989, at a fiscal year salary of \$78,000.

JOEL HOROWITZ as Chair of the Department of Geography in the College of Liberal Arts for a one-year term, effective August 23, 1989, at an academic year salary of \$62,285.

EDWARD J. CONLON as Chair of the Department of Management and Organizations, College of Business Administration, effective September 21, 1989.

3. Reappointments as follows:

RICHARD HORWITZ as Chair of the American Studies Program in the College of Liberal Arts for a one-year term effective August 23, 1989, at an academic-year salary of \$45,000; and

DONALD PIETRZYK as Chair of the Department of Chemistry in the College of Liberal Arts for a one-year term effective August 23, 1989, at an academic-year salary of \$70,000.

ACTION: President Pomerantz stated the Board approved the university's Register of Personnel Changes as a consent item.

PROFESSIONAL AND SCIENTIFIC CLASSIFICATION SYSTEM. The Board Office recommended that the Board approve the following changes in the university's Professional and Scientific classification plan:

<u>From Title</u>	<u>Pay Grade</u>	<u>To Title</u>	<u>Pay Grade</u>
Dir., Emergency Medical Education & Transportation	12(\$34,590-\$59,350)	Dir., Emergency Medical Services Learning Resource Center	10(\$29,440-\$50,700)
Asst. Dir. of Social Work	11(\$31,970-\$54,855)	Assoc. Dir. of Social Work	12(\$34,590-\$59,350)

A reorganization of duties and responsibilities resulted in the recommended change from Director of Emergency Medical Education and Transportation in pay grade 12 to Director of Emergency Medical Services Learning Resource Center in pay grade 10.

Increased responsibilities resulting from program expansion and additional duties assigned since the classification was last reviewed four years ago resulted in the proposed change from Assistant Director of Social Work in pay grade 11 to Associate Director in pay grade 12.

MOTION: Regent Williams moved to approve the changes in the university's Professional and Scientific classification plan, as presented. Regent Furgerson seconded the motion, and it carried unanimously.

BACHELOR OF ARTS DEGREE IN SOVIET AND EAST EUROPEAN STUDIES. The Board Office recommended the Board refer this matter to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The shell space in the pavilion will be finished in subsequent projects to accomplish the following: replace presently outmoded intensive care unit beds; eliminate the remaining non-conforming and functionally obsolete inpatient and clinic units in the original early-1900 hospital complex; and accommodate the continuing annual growth in ambulatory care clinic patients and diagnostic and therapeutic procedure volume.

This project involves the construction of a multi-disciplinary Clinical Cancer Center on the third and fourth floors of the John Pappajohn Pavilion and the "topping out" of the pavilion with shell space on the fifth through eighth levels of the inpatient bed tower and the fifth and sixth levels of the clinic wing of the pavilion. The construction cost for the shell space is estimated to be approximately \$8.5 million. In response to the directive of the Board at the June 1989 meeting, University Hospitals and Clinics officials and its architects have thoroughly explored the economic and functional benefits that will flow from topping out the pavilion at this time.

Mr. Colloton expressed his gratitude to the Board for allotting time to discuss the status of the Pappajohn Pavilion and the topping out of the Pavilion. He said the Pappajohns recently contributed \$3 million to University Hospitals and Clinics for this project, and pledged on-going support of the operations through the creation of an endowment fund. University officials are very grateful for the confidence expressed in their programs at the University Hospitals, and the leap the financing will make possible. Their gift enables the university to respond affirmatively to the Board's strong suggestion that university officials undertake bidding of the full pavilion this year in order to fill in the entire pavilion. The construction of the additional floors of shell space will avoid substantial inflationary costs. They will not have to replace the roof and relocate the penthouse each time additional floors would be constructed under the piecemeal approach. The aggregate savings amounts to \$6 million. They will profit substantially from topping out now. He expressed appreciation to the Board for pleasantly urging university officials to pursue this course of action when it reviewed the project in June.

Mr. Colloton noted there will be no state capital appropriated dollars in this \$32 million project. In order to provide the new Regents with an idea of the hospital's full 20-year capital replacement program he asked the architect firm associated with the Hospital's capital replacement program to review with the Regents the phased programming. He introduced Richard Hansen, co-founder of Hansen Lind Meyer. Mr. Hansen and two of his classmates from the University of Iowa established the firm in 1962. In the past 27 years the firm has put \$3.4 billion of hospital construction in place. The firm is consistently ranked in the top 5 firms in the country and has substantial experience in the design of cancer centers.

Mr. Hansen said his firm's involvement with University of Iowa Hospitals and Clinics has been a tremendous experience for them. He said the University of

Iowa has developed one of the finest teaching hospitals in the country. It delivers the highest quality of health care in 1,800 square feet per bed. In working with other teaching hospitals across the country the average is 2,200 to 2,400 square feet per bed. These efficiencies were achieved by streamlining administrative practices and an understanding of cost containment.

Mr. Hansen said the overall construction cost per square foot to date is \$112/square foot. He said that was a tremendously competitive price. Once the topping out of the Pappajohn Pavilion is finished the overall cost per square foot at University Hospitals is still just \$125/square foot. The average across the country is \$170/square foot.

Mr. Hansen presented slides to illustrate the progress of expansion at University Hospitals through its phased capital replacement plan. He noted that one important feature is that the hospital area was built to hospital standards and the ambulatory care facility was built to out patient standards. He noted that he has worked in many places where there has been a 10-year plan that they don't "stick" with. He congratulated University Hospitals officials for sticking with this plan. It has been a systematic and orderly way of making capital improvements.

Mr. Hansen distributed an informational packet on the John and Mary Pappajohn Clinical Cancer Center project in the John Pappajohn Pavilion. He briefly discussed the project description, budget and schedule. He noted that the facility was originally called the Psychiatric Pavilion.

Regent Tyler asked for a definition of "department gross area". Mr. Hansen said that is all the public areas including elevators.

Regent Hatch referred to the drawing of the 7th floor which illustrated the Oto and Eye inpatient replacement beds, and asked whether this area would also include clinic space or faculty offices. Mr. Colloton said that even with the completion of this pavilion there is only so much space. He said the departments of otolaryngology, ophthalmology and gynecology are located in the old hospital. Those 72 beds for otolaryngology and eye patients will be moved over to the Pappajohn Pavilion. Some time in the future those very large departments will have to be relocated into the south complex but they will not be moved into this pavilion. He said they cannot solve all the problems at this moment.

Regent Berenstein referred to the project budget and asked where the \$29 million in University Hospitals building usage funds were coming from. Mr. Colloton stated the building usage fund is a repository of the allowances from third party payor reimbursements. He said different payors pay different rates. At present they receive \$26 million from all sources. From that they deduct \$7 million for current interest and bond liquidation expense. Next they subtract \$113 million for working capital each year for renovation

projects. That leaves \$7 million which is funneled into the building usage fund. At the present time there is \$21 million in that account. Another \$3 million will be added to that from the Pappajohns.

MOTION: Regent Fitzgibbon moved to receive the project description and budget for the University Hospitals and Clinics -- Clinical Cancer Center and the Topping out of the John Pappajohn Pavilion. Regent Tyler seconded the motion, and it carried unanimously.

Mr. Colloton thanked the Regents for their support.

* * * * *

University officials presented a revised budget on the following project.

<u>Hospital Parking Ramp No. 3--Remodel for Bookstore</u>	Original Budget	<u>\$234,000</u>
	Revised Budget	<u>\$291,930</u>
Source of Funds: Department of Parking and Transportation Improvement Reserves		

Project Budget

	<u>Original Budget April 1989</u>	<u>Revised Budget Sept. 1989</u>
Design, Inspection and Administration	\$ 34,600	\$ 43,230
Construction	181,300	224,200
Contingency	<u>18,100</u>	<u>24,500</u>
TOTAL	\$ 234,000 =====	\$ 291,930 =====

This budget was revised due to problems in obtaining a sufficiently low bid and changes in project scope. This project was bid on May 4, 1989. Only two bidders responded, and the lower bid exceeded the construction estimate by \$45,000. Both bids were rejected. The mechanical estimate was low because the cost of integrating the new HVAC system with the existing building system was seriously underestimated. In addition, there was an unanticipated rise in the price of copper. Rebidding is to take place in late September. The budget has been adjusted to reflect the corrections made in the mechanical specifications, the increase in the price of copper, and the costs of rebidding. The project scope has also been expanded to include electrical

modifications to accommodate a future security system, and the addition of installed casework in the bookstore checkout area.

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

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ARCHITECT/ENGINEER AGREEMENTS

Twelve new project contracts, as well as 8 contract amendments, were approved as part of the capital register.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

University Hospitals and Clinics Shipping and Receiving Facility
Mid-America Construction Company of Iowa, Iowa City, Iowa

Human Biology Research Facility--Phase II--Construction Contract
Mid-America Construction Company of Iowa, Iowa City, Iowa

Human Biology Research Facility--Phase II--Mechanical Contract
Bob A'Hearn Plumbing & Heating, Inc., Hiawatha, Iowa

Chilled Water Plant Parking Facility (Hospital Ramp #3)
Mid-America Construction Company of Iowa, Iowa City, Iowa

University Hospitals and Clinics--4 Tower Maternity
Modernization--Phase II
McComas-Lacina Construction Company, Inc., Iowa City, Iowa

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

APPROVAL OF LEASES. The Board Office recommended the Board approve leases, as follows:

with ACCEL CATALYSIS for their use of approximately 679 square feet of office space (Rooms 11 and 11b) in the Technology Innovation Center of the Oakdale Campus for a period of one year commencing October 1, 1989, at a monthly rental of \$508.17;

with MID-AMERICA SYSTEMS, INC. for their use of approximately 319 square feet of office space (Room 201) in the Technology Innovation Center of the Oakdale Campus for a period of one year commencing October 1, 1989, at a monthly rental of \$159.50;

with KEITH CHAPELLE for the university's use of approximately 650 square feet of office space in the building located at 465 Northland Avenue, N.E., Cedar Rapids for approximately three years commencing October 15, 1989 through September 30, 1992 at a monthly rental of \$500;

with HOWARD HUGHES MEDICAL RESEARCH INSTITUTE for their use of approximately 3,472 square feet of space in the Human Biology Research Facility at a rent calculated at \$38.50 per square foot per year, as an amendment to the existing agreement with the INSTITUTE subject to approval by the Board's Executive Director;

with CPMI-CRE CORALVILLE VENTURE for the university's use of approximately 32,988 gross square feet of finished and shell space at a cost of \$18.28 per gross square foot per year in the building to be constructed on the Oakdale Research Park commencing upon completion of the structure;

with HEALTH CARE REALTY, INC. for the university's use of 275 square feet of office space in the Burlington Medical Center at 602 North Third, Burlington for a period of three years commencing October 1, 1989 at a monthly rental of \$206.

Regent Berenstein asked if the lease with CPMI-CRE Coralville Venture for the College of Medicine is a temporary situation. Vice President Phillips said university officials do not view it as a long-term solution to the medical research problem. She said that even if university officials are successful with respect to the biomedical research facility it will still be 5 years before they could move in.

Regent Fitzgibbon congratulated university officials on negotiating some great rates.

MOTION:

Regent Hatch moved to approve the leases, as presented. Regent Fitzgibbon seconded the motion, and upon the roll being called, the following voted:

AYE: Berenstein, Fitzgibbon, Furgerson, Greig, Hatch, Pomerantz, Tyler, Westenfield, Williams.

NAY: None.

ABSENT: None.

STATE UNIVERSITY OF IOWA
September 20-21, 1989

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, September 20 and Thursday, September 21, 1989.

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

1. Register of Personnel Changes for July and August 1989 including early retirements as follows:

DOROTHY B. FOLEY, Assistant Director, International Educational Services, retiring December 31, 1989, will have a total cost of \$35,150 for incentives;

EDWARD L. DEKALB, Associate Scientist, Ames Laboratory, retiring September 30, 1989, will have a total cost of \$35,057 for incentives; and

WALTER WEDIN, Professor of Agronomy, retiring November 25, 1989, will have a total cost of \$50,464 for incentives.

Regent Greig said Dr. Wedin had been with the Department of Agronomy for many years. He said Dr. Wedin has done so much for the livestock industry and in the area of extension. He asked that university officials inform Dr. Wedin that many Iowans will miss him.

The university would have incurred a salary liability of approximately \$1 million over the expected span of employment of these individuals. These funds will be used for replacement staff and/or reallocations within the university.

The register also included the following phased retirements:

HELEN LEA HERRNSTADT, Coordinator, Sciences and Humanities Administration, will reduce to 75 percent time beginning July 1, 1990, with retirement on February 28, 1992; and

ALLEN CONROL HELLAND, Area Mechanic, Facilities Planning and Management, will reduce to 80 percent time beginning October 14, 1989, with retirement on October 10, 1993.

2. Appointments as follows:

DONNA L. COWAN as interim chair of the Department of Family and Consumer Sciences Education from August 2, 1989, until a new chair is named at an academic-year salary of \$76,695;

THOMAS RAY ROGGE as interim chair of Engineering Science and Mechanics, College of Engineering, effective August 7, 1989 until a new chair has been appointed at an academic-year salary of \$73,391; and

HOWARD R. SHANKS as Director of the Microelectronics Research Center, effective September 1, 1989 at an annual salary of \$94,000.

ACTION: President Pomerantz stated the Board ratified personnel transactions, as presented, as a consent item.

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

Iowa State University officials requested approval of the merger of its Agricultural Education and Agricultural Studies departments. The new merged department would have the name of Agricultural Education and Studies. The decision to merge these departments grew out of the university's long-range strategic planning efforts.

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

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

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted one new project for approval by the Board.

College of Veterinary Medicine--Laboratory Animal
Facilities Improvements

\$450,000

Preliminary Budget

Contracts	\$ 346,000
Design Services	49,000
Construction Administration	17,000
University Services	2,500
Miscellaneous	1,000
Reserved for Future Contracts and Contract Changes	<u>34,500</u>
TOTAL	\$ 450,000 =====

Source of Funds: National Institute of Health Grant	\$ 225,000
Income from Treasurer's Temporary Investments, Building Repair Fund or 73rd General Assembly Capital Request	<u>225,000</u>
TOTAL	\$ 450,000 =====

In order to continue receiving funds for research involving laboratory animals, the university must maintain laboratory animal facilities which meet standards established by the American Association for the Accreditation of Laboratory Animal Care (AAALAC). The university has applied for and received from the National Institute of Health a grant award on the basis of matching funds from the university. The funds will provide for improvements to floors, walls, and ceilings, per AAALAC standards, for approximately 11,000 square feet of laboratory animal rooms. Design services will be negotiated with a consultant and construction will be contracted.

* * * * *

University officials presented revised budgets on the following projects.

LeBaron Hall Addition--Center for Designing June 1989 Budget \$9,952,000
Foods to Improve Nutrition (Progress Report)

This project was last reported to the Board in June 1989. University officials presented this progress report to notify the Board of the future target dates for this project:

Complete Schematic Design	October 1989
Complete Design Development Phase	January 1990
Complete Construction Documents	July 1990
Bid and Award	September 1990
Start Construction	October 1990
Complete Construction	May 1992

Hilton Coliseum Improvements--Phase I

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

Project Budget

	Original Budget <u>March 1989</u>	Revised Budget <u>Sept. 1989</u>
Contracts	\$ 753,500	\$ 3,640,535
Design Services	103,000	311,000
Construction Administration	21,000	50,000
University Services	7,500	30,000
Miscellaneous	7,500	15,000
Landscaping	5,000	18,000
Building Automation	10,000	
Telecommunications	7,500	35,000
Reserved for Future Contracts and Contract Changes	<u>75,000</u>	<u>400,465</u>
TOTAL	\$ 990,000 =====	\$ 4,500,000 =====
Source of Funds: Revenue Bond Surplus Fund	\$ 990,000	
Ogden Allied Facilities Management	<u> </u>	<u>\$ 4,500,000</u>
TOTAL	\$ 990,000 =====	\$ 4,500,000 =====

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

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

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

University officials anticipate presenting the schematic design for the project at the October 1989 meeting.

The source of funds named above is subject to satisfactory arrangements being negotiated between Ogden Allied Facilities Management and the university administration, as well as Board approval. If this funding source does not develop, the university would proceed only with the original Phase I of the total project to reflect current available funding.

The Board Office recommended deferral of action on the revised project until October. This will allow the Business and Finance unit to work with Charles Wright and the university to study the project and the proposed financing in detail. Mr. Wright has participated in negotiations with Ogden Allied in the past. Regent Tyler would be a valuable resource person to utilize in the review of this proposal.

VMRI Animal Holding Facility

Jan. 1989 Budget \$1,061,300
Revised Budget \$1,098,700

Project Budget

	<u>Budget Approved Jan. 1989</u>	<u>Revised Budget Sept. 1989</u>
Construction Contract	\$ 785,100	\$ 785,100
Purchase Order Contract		1,713
Design Services	72,300	76,110
Construction Administration	28,500	27,500
University Services	5,000	5,000
Miscellaneous	1,000	2,500
Landscaping	4,150	4,150
Utility Extensions	35,500	30,500
Fixed Equipment	20,000	20,650
Art Work	5,000	5,000
Building Automation	52,000	52,000
Telecommunications	1,000	1,000
Reserved for Future Contracts and Contract Changes	<u>51,750</u>	<u>87,477</u>
TOTAL	<u>\$ 1,061,300</u>	<u>\$ 1,098,700</u>

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Source of Funds:	72nd General Assembly Academic Building Revenue Bonds	\$ 800,000	\$ 800,000
	Industry Contributions or Income from Treasurer's Temporary Investments	236,600	236,600
	Research Grant Funds	<u>24,700</u>	<u>62,100</u>
	TOTAL	\$ 1,061,300	\$ 1,098,700
		=====	=====

This budget has been increased \$37,400 from the last approved budget of \$1,061,300 which was reported in January 1989. This increase is due to a change in the High Efficiency Particulate Air Filter (HEPA) filtering system which is necessary for the university to keep the Biosafety Level 3 (BL3) facility rating. The university has increased the research grant fund source to cover this additional cost to the project.

Ruminant Nutrition Laboratory--Remodeling
For Animal Surgery and Housing

Jan. 1989 Budget \$416,100
Revised Budget \$468,817

Project Budget

	Budget Approved Jan. 1989	Revised Budget Sept. 1989
Construction Contract	\$ 323,000	\$ 317,700
Design Services	26,500	30,342
Construction Administration	15,500	15,500
University Services	850	3,850
Miscellaneous	500	500
Utility Extensions	13,250	12,050
Fixed Equipment		14,000
Movable Equipment		6,000
Building Automation	5,000	23,675
Telecommunications	1,500	1,500
Reserved for Future Contracts and Contract Changes	<u>30,000</u>	<u>43,700</u>
TOTAL	\$ 416,100	\$ 468,817
	=====	=====

Source of Funds: Agricultural Experiment Station	\$ 208,050	
Building Repair Fund or Income from Treasurer's Temporary Investments	208,050	416,100
National Institute of Health		<u>52,717</u>
TOTAL	\$ 416,100	\$ 468,817
	=====	=====

This budget has been increased \$52,717 from the last approved budget of \$416,100 which was reported to the Board in January 1989. The university has received a grant from the National Institute of Health approving the use of \$52,717 on this project. This money will be used for the purchase and installation of equipment, i.e. autoclave, washer/dryer, storage bins, with the balance to be included in the reserve for future contracts to cover any additional construction items needed during the remodeling. The National Institute of Health Grant has been added as a source of funds to the budget.

Willow/Larch Halls Elevator Upgrade and Modernization

Original Budget \$145,300
Revised Budget \$265,300

Source of Funds: Dormitory System Surplus

Project Budget

	Original Budget March 1989	Revised Budget Sept. 1989
Contracts	\$ 120,000	\$ 240,000
Design Services	18,500	18,500
University Services	2,000	500
Miscellaneous	500	500
Reserved for Future Contracts and Contract Changes	<u>4,300</u>	<u>5,800</u>
TOTAL	\$ 145,300	\$ 265,300
	=====	=====

This budget has increased \$120,000 from the last approved budget of \$145,300 reported in March 1989. Since the initial reporting of this project the scope of the project has changed to include totally refurbishing the elevator cabs. The dormitory system surplus fund will be increased to cover this additional cost to the project. Because this project now exceeds \$200,000, university officials submitted this budget for Board approval.

* * * * *

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

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

Two new project contracts as well as 5 contract amendments were approved as part of the capital register.

CONSTRUCTION CONTRACTS were awarded on 4 projects.

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

VMRI Animal Holding Facility \$37,321
Badding Construction Company, Carroll, Iowa

University officials requested Board ratification of the Board Office-approved change order.

Hamilton Hall Fire Stair \$25,368
Kaare Mehl Construction, Story City, Iowa

University officials requested Board ratification of the Board Office-approved change order.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Laboratory Animal Facilities--Partial Renovations
Sioux Contractors, Inc., Sioux City, Iowa

Mechanical Engineering/Engineering Sciences and Mechanics Building--
Fire Sprinkler System
Continental Fire Sprinkler Company, Omaha, Nebraska

The Durham Center--Computer Input/Output Area
Henkel Construction Company, Mason City, Iowa

Alumni Hall--General Remodeling
Badding Construction Company, Carroll, Iowa

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<u>Dairy Industry--Remodel for Food Crops Research Center--Phase I</u>	<u>\$185,523.29</u>
<u>Car Pool Fueling Station</u>	<u>\$351,689.49</u>
<u>Beyer Hall--Tennis Courts</u>	<u>\$371,793.39</u>

MOTION: Regent Furgerson moved to approve the university's capital register, with the exception of the Hilton Coliseum project. Regent Williams seconded the motion.

Vice President Madden said university officials had no problem with bringing the Hilton Coliseum project back to the Board. He said the reason it was on the capital register was to inform the Board that university officials are moving forward on this project.

VOTE ON THE MOTION: The motion carried unanimously.

APPROVAL OF LEASES AND EASEMENTS. The Board Office recommended the Board approve leases and easements, as follows:

with APPLIED THERMODYNAMIC SYSTEMS for their use of approximately 250 square feet of space in the university's ISIS Center for a period of one year commencing August 15, 1989 at a monthly rental of \$166.67;

with RESIFT, INC. for their use of approximately 514 square feet of space in the university's ISIS Center for a period of one year commencing September 1, 1989, at a monthly rental of \$342.67;

with AMERICAN RADON SERVICES, INC. for their use of approximately 910 square feet of space in the university's ISIS Center for a period of six months commencing September 1, 1989 at a monthly rental of \$644.58;

with ENGINEERING AUTOMATION, INC. for their use of approximately 165 square feet of space in the university's ISIS Center for a period of six months commencing September 1, 1989 at a monthly rental of \$116.88; and

with FRAGRANCE OF LIFE, INC. for their use of approximately 165 square feet of space in the university's ISIS Center for a period of six months commencing September 1, 1989 at a monthly rental of \$116.88.

with DAYTON ROAD DEVELOPMENT COMPANY for the university's use of approximately 2,401 square feet of space in the building located at 137 Lynn Avenue, Ames for a period of one year commencing October 1, 1989 at a monthly rental of \$2,436.58 including janitorial services and all utilities except telephone;

with INTERNATIONAL TRADE CENTER LIMITED PARTNERSHIP for the dissolution of a lease of Suite 230 in the International Trade Center comprising 1,697 square feet of space, said termination to commence July 31, 1989 and to relieve the Board and the university of all further obligations pertaining thereto;

to U.S. WEST COMMUNICATIONS a permanent easement for the installation of telephone cable at the Williams Research Center for a cost of \$1;

to IOWA POWER AND LIGHT COMPANY a permanent easement for the installation of a feeder cable at the Ankeny Research Center for a cost of \$1.

MOTION:

Regent Hatch moved to approve leases and easements, as presented. Regent Fitzgibbon seconded the motion, and upon the roll being called, the following voted:

AYE: Berenstein, Fitzgibbon, Furgerson, Greig, Hatch, Pomerantz, Tyler, Westenfield, Williams.

NAY: None.

ABSENT: None.

President Pomerantz then asked Board members and institutional executives if there were additional items for discussion pertaining to Iowa State University.

Regent Berenstein stated that last month the Board discussed renaming the Iowa State University legal department. He asked if that request had been dropped. President Eaton said it had not been dropped but was delayed.

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, September 20 and Thursday, September 21, 1989.

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

ACTION: President Pomerantz stated the Board approved the Personnel Register by general consent.

OTHER PERSONNEL TRANSACTIONS. The Board Office recommended that the Board approve the appointment of DONALD R. WHITNAH as acting dean of the College of Social and Behavioral Sciences, effective August 15, 1989, at a salary of \$72,000.

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

PROPOSAL FOR NEW MASTER OF PUBLIC POLICY DEGREE. The Board Office recommended the Board refer the request for a new Master of Public Policy degree at the University of Northern Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Northern Iowa officials proposed a new Master of Public Policy degree. This would be a multi-disciplinary degree program.

ACTION: President Pomerantz stated the Board, by general consent, referred the request for a new Master of Public Policy degree at the University of Northern Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

REPORTS ON ORGANIZATIONAL AUDIT. The Board Office recommended the Board receive the responses from the University of Northern Iowa to the Peat Marwick (KPMG) organizational audit reports and approve the recommended actions by the Board Office.

This item was discussed under the general docket item "Institutional Responses on Unnecessary Duplication in Targeted Areas".

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

CONSTRUCTION CONTRACTS

<u>Campbell Hall Roof Improvements</u>	<u>\$53,469</u>
Award to: Jim Giese Commercial Roofing, Dubuque, Iowa (4 bids received)	
<u>Physical Education Center--Install Wooden Floor</u>	<u>\$80,513</u>
Award to: Swanson Gentleman, Inc., Des Moines, Iowa (3 bids received)	
<u>Power Plant--Boiler, Contract 203--Mechanical and Building Enclosure</u>	<u>\$2,384,000</u>
Award to: ACI Mechanical Corporation, Ames, Iowa (3 bids received)	

The Board Office proposes a revised budget for this project in the amount of \$14.4 million. Funding sources proposed by the Board Office include \$11.1 million in appropriations, \$1.3 million from Treasurer's Temporary Investments, and \$2 million from master lease drawdowns or other university sources.

One contract remains to be let on this project, Contract 204 for electrical work. This contract is estimated at \$1.25 million. The Board Office requests that the university provide a detailed revised budget at this Board meeting.

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

<u>Campbell Hall--Roof Improvement</u>	<u>\$45,886</u>
Jim Giese Commercial Roofing, Dubuque, Iowa	

University officials requested ratification of a Board Office-approved change order to the construction contract on this project in the amount of \$45,886. This change order will allow the university to re-roof roofs 3 and 4 of Campbell Hall, planned for completion in 1990, in a cost-effective manner.

The original construction contract for this project was awarded to the low bidder, Jim Giese Commercial Roofing, Inc., on July 19, 1989, in the amount of \$53,469. This award was reported earlier in this capital register for Board ratification.

The roofs on the original contract have metal roof decks while roofs 3 and 4 have concrete roof decks with electrical conduit. The concrete roofs will be

installed via an adhered system in lieu of a mechanically fastened system. The roofs are of equal quality but the adhered roof system is more labor-intensive and thus more costly. The consultant indicated that the university should expect an approximately \$.50 per square foot higher cost since the structural roof deck is concrete instead of metal and the method of attachment is more difficult.

The price per square foot on the original bid is \$3.17. If the next low bid were to be accepted to complete roofs 3 and 4 the cost would be \$4.30 per square foot. The change order price is \$3.69 per square foot which is a very competitive and reasonable price compared to the original bids.

The total project cost including the change order will be \$114,410 which is within the project budget of \$120,000.

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Institutional Roads--Campus/Redeker Street Reconstruction

Power Plant Replacement

Vice President Conner presented a revised budget for the Power Plant Replacement project, as follows:

<u>Revised Project Budget</u>	
Demolition	\$1,000,000
Engineering and Testing	1,162,000
Boiler	6,227,000
Auxiliary Systems	1,365,000
Installation	4,558,000
Contingency	<u>488,000</u>
TOTAL	\$14,800,000

President Pomerantz asked how many more segments of the boiler project remain to be bid. President Curris said there is one remaining bid. Those bids are scheduled to be opened on September 26, 1989. The absence of that information does not allow university officials to hone in on the exact cost. University officials have been advised for some time that in these types of projects there are a substantial number of change orders necessary to the project. He said this information comes not from the contractor but from both the engineering consulting firms employed on the project.

President Curris brought the Board members up to date on the status of the project. He said there were some concern about how events transpired in August. When the bid came in on the next to the last sequenced bid, Contract

203, the bid was about 70 percent above budget. There were 3 bids, only one was from within the state, and that was the low bid. The engineering consulting firm advised to revise the budget upward for the lowest bid and then advised that because of some of the difficulties they might need more money because of contingencies. University officials then secured the services of Stanley Engineering to evaluate where they are in terms of the budget. He said that was particularly helpful to university officials. In late-August President Curris received notification from Stanley Engineering that they were earnestly working to evaluate the whole scope of the project and determine what the total cost would be. The firm identified 4 options: 1) accept the lowest bid, 2) stop the project at this point, 3) reject the contract and rebid or 4) potentially rebidding and making modifications in other projects to effect the scope to make it manageable. Stanley representatives indicated that by August 25 they would have a recommendation on the best way to proceed. President Curris stated that August 25 was the day they had to accept or reject the bids. Stanley Engineering officials also recommended university officials secure an extension of 30 days in accepting the low bid in order to give them more time to evaluate their options. On August 23 the contractor indicated he would extend the period of time for the bid by one week.

President Curris stated that on August 25 at 4:14 p.m. University of Northern Iowa officials received the preliminary report from Stanley Engineering with the full report due on the August 29. The preliminary report indicated their best judgment was that university officials should proceed to accept the bid and try to find additional funding. They felt other options would probably cost money. This threw university officials for a "loop" -- they thought there would be some other options to consider. On August 28 university officials received a memorandum from the Board Office that said the Board Office had been receiving several phone calls from bidders. The overriding concern by several firms is the lack of funds available for the project at this time. The contractors feel it is unfair to expose their bids on contract 204 if the bids are going to be rejected due to lack of funds. The Board Office said not to delay the project because inflation would only increase the cost and the state has already made a significant commitment to the project. The Board Office further stated that in 1986 Iowa State University was required to internally fund an unbudgeted increase on its boiler project in the amount of \$3,925,000.

President Curris stated that when the final report came in from Stanley Engineering on August 29 they recommended proceeding to award Contract 203 and not to delay Contract 204. He said the Board Office had recommended delaying Contract 204. University officials decided to postpone awarding Contract 204 which was scheduled for opening on September 26. On August 30 university officials were informed that ACI, the low bidder on Contract 203, would not extend past that Friday without a written indication that university officials were working to secure funding. They pointed out they had subcontractors already pulling out. At that point university officials had conversations

with the Board Office and tried to work as expeditiously as possible. No option was recommended by anyone except to accept the contract but in order to accept the contract they had to work out the funding arrangements. University officials identified two funding options: 1) master lease arrangement at 6.85 percent interest and 2) bonding. In conversations President Curris had with Mr. Richey, Mr. Richey felt university officials had to identify a back up funding source in case neither option worked out.

President Curris assured Regents that university officials moved as capably and responsibly as they could. The options they thought they had fell by the wayside. If they did not give full notification, he said he apologized.

President Pomerantz asked if \$14,800,000 was their best estimate of the total project cost. President Curris said university officials received appropriations in the amount of \$11.7 million, which is \$3 million less than what they now believe to be the project. They have been willing to internally pledge up to \$1 million of reserve to cover the additional cost.

Regent Tyler asked why university officials are fairly confident with the final budget estimate if Contract 204 bids are yet to be opened. President Curris said the estimate was raised. Stanley Engineering representatives felt the revised estimate was reasonable.

President Pomerantz said they are dealing with an inflationary environment. Design and construct contracts are very difficult to stay with. From a policy-making point he felt they should insist on more complete planning up front.

Regent Berenstein said they should avoid situations in the future like was done recently in telephone polling the Regents regarding how to proceed with this project.

President Pomerantz said they were in a position where they have \$11 million invested and are \$3 million short. Unless they finish the project they don't have anything, which would be a big embarrassment.

Regent Berenstein stated for the record that if he has to make a decision or let it go he will let it go. He wants to know the full facts. He said they have to have some safety valves.

Regent Hatch said time was of the essence. She believed that those who were contacted received very complete information regarding this project and felt they received the information necessary to make an informed decision.

Regent Fitzgibbon said they needed to develop a plan on how to pursue further projects and capital expenditures that would include monitoring and supervising.

President Pomerantz suggested the best procedure was to have all the plans and specifications completed and to put the whole packet out for bid. What they have been doing for a long time is designing part of a project and using professional estimates for the total cost. If inflation or estimates outstrip that they are stuck. In an inflationary environment the probability of coming up short is high. They should look at a policy of completely designing and bidding whole projects otherwise they will be at risk like this in the future. Such a system change may delay some of these projects as much as a year and costs will be going up because they waited.

Regent Fitzgibbon said that is the system he prefers. They will give up some time. The project might come on 6 months to a year late but at least they will know what they will have. He suggested there should be no more fast tracking; they should solve the problem here.

Regent Greig expressed unhappiness with the boiler situation and said it was total 11th hour management. He hoped it would never happen again.

Regent Fitzgibbon said they should put together a system and move ahead on it.

Regent Berenstein stated it was very unfair for those who succeed the current Regents to have to deal with decisions they have to gag on every time they consider it. They will be stuck with decisions they had nothing to do with. He asked that they consider not using design and construct on future capital projects so they don't get into this kind of situation again.

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

UNIVERSITY MAUCKER UNION FOOD SERVICE CONTRACT. The Board Office recommended that the Board approve the proposed contract with Hardee's Food System, Inc., for the operation of the fast food and delicatessen service at Maucker Union from August 16, 1989, through August 16, 1992.

Hardee's has operated the food service at Maucker Union since 1977. The proposed agreement for 1989-92 provides that Hardee's can assign the lease to one of its franchises. This assignment is subject to university approval and the university can reject the assignment during the first ninety days of operation by an assignee. The university retains its 13 percent commission on Hardee's sales. The liability insurance limits carried by Hardee's have been significantly increased to protect the university and Hardee's patrons.

Regent Tyler referred to the statement by the Board Office that "Hardee's asked for the right to assign the operation at the Maucker Union to one of its franchisees." He asked if that language meant that previously the corporate Hardee's had run the operation. Vice President Conner said he believed it

used to be run by the corporate Hardee's. Under the new agreement it would be run by a franchisee with local management and control.

MOTION: Regent Williams moved to approve the proposed contract with Hardee's Food System, Inc., for the operation of the fast food and delicatessen service at Maucker Union from August 16, 1989, through August 16, 1992. Regent Furgerson seconded the motion, and it carried unanimously.

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Wednesday, September 20 and Thursday, September 21, 1989.

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

ACTION: President Pomerantz stated the Board approved the Register of Personnel Changes for June and July 1989 as a consent item.

APPROVAL OF POLICY MANUAL. The Board Office recommended the Board approve the Iowa School for the Deaf Administrative Handbook subject to certain editorial changes identified by the Board Office.

In compliance with Iowa Department of Education rules, Iowa School for the Deaf submitted an Administrative Policies Handbook. The policies contained in it are existing institutional and Board policies and are modeled after a policy manual developed by the Iowa Association of School Boards.

MOTION: Regent Williams moved to approve the Iowa School for the Deaf Administrative Handbook subject to certain editorial changes identified by the Board Office. Regent Furgerson seconded the motion.

Regent Hatch said she would like to see page 41 subjected to a little more discussion before approving the policy manual. She had concerns relative to the corporal punishment policy.

WITHDRAWAL OF MOTION: President Pomerantz stated the motion was withdrawn and this item was deferred until next month.

APPROVAL OF AGREEMENTS. The Board Office recommended that the Board approve the proposed agreement with Iowa Western Community College for the college to provide a work experience program for hearing impaired students at the secondary level.

The school has contracted for several years with the college to provide a work experience program for its secondary school students. The college provides an instructor who helps students in jobs they have while attending school and assists them in gaining job seeking skills. The students also are taught independent living skills related to successful employment.

IOWA SCHOOL FOR THE DEAF
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The program is funded by the Iowa Western Community College and Iowa School for the Deaf. The college provides \$3,750, a private fund (Carl D. Perkins) allocates \$3,700 and the balance of \$31,123 is provided by the school.

MOTION:

Regent Berenstein moved to approve the proposed agreement with Iowa Western Community College for the college to provide a work experience program for hearing impaired students at the secondary level. Regent Greig seconded the motion, and it carried unanimously.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Wednesday, September 20 and Thursday, September 21, 1989.

RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES. The Board Office recommended the Board approve the Register.

ACTION: President Pomerantz stated the Board approved the Register for June 25 through August 19, 1989, as a consent item.

APPOINTMENT OF AFFIRMATIVE ACTION OFFICER - 1989-90. The Board Office recommended that the Board approve the appointment of DIANE UTSINGER as Affirmative Action Officer for 1989-1990.

Regent Tyler asked why an institution the size of the Iowa Braille and Sight Saving School needed an affirmative action officer. Superintendent Thurman responded that it was a federal law.

MOTION: Regent Berenstein moved to approve the appointment of DIANE UTSINGER as Affirmative Action Officer for 1989-1990. Regent Williams seconded the motion, and it carried unanimously.

APPROVAL OF ENDOWMENT BUDGET. The Board Office recommended the Board approve the endowment budget for the Iowa Braille and Sight Saving School for fiscal year 1989-90.

The Iowa Braille and Sight Saving School anticipates endowment fund revenue for the current fiscal year totalling \$180,400. Each year the school is required to submit an endowment expenditure budget for Board approval. The budget presented for approval includes expenditures equalling \$102,500 which represents 76 percent of the budgeted investment income. The school is requesting the expenditure of the endowment funds as follows:

Summer School	\$80,000
Center for the Arts Proposal	7,500
Miscellaneous	<u>15,000</u>
	\$102,500

At its February meeting, the Board approved the use of institutional endowment funds for the 1989 summer program. Each year the school plans that general funds will be used first to the extent available to fund the summer program.

IOWA BRAILLE AND SIGHT SAVING SCHOOL
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It should be noted that the Board has also approved a \$25 per participant fee to cover the remaining estimated total cost of the summer program.

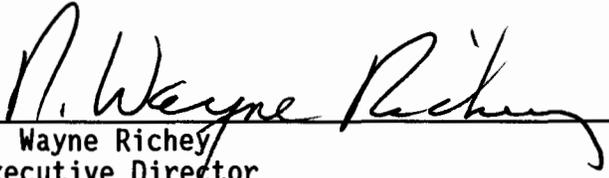
MOTION: Regent Fitzgibbon moved to approve the endowment budget for the Iowa Braille and Sight Saving School for fiscal year 1989-90. Regent Williams seconded the motion, and it carried unanimously.

APPROVAL OF CHAPTER I FUNDING PROPOSAL FOR FISCAL YEAR 1990. The Board Office recommended the Board approve the Chapter I restricted fund program budget in the amount of \$28,732 subject to program approval by the Department of Education.

A proposed Chapter I program for fiscal year 1990 is for the instruction of adapted communications skills. It is a continuation of last year's program. The school employs a teacher with certification in visual impairment to teach adaptive communications and to coordinate the Resource Room/Mainstreaming Program for IBSSS students.

MOTION: Regent Furgerson moved to approve the Chapter I restricted fund program budget in the amount of \$28,732 subject to program approval by the Department of Education. Regent Williams seconded the motion, and it carried unanimously.

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 3:53 p.m., on Thursday, September 21, 1989.



R. Wayne Richey
Executive Director