

The State Board of Regents met on Wednesday, September 25, and Thursday, September 26, 1991, at the University of Iowa, Iowa City, Iowa. The following were in attendance:

	<u>September 25</u>	<u>September 26</u>
<u>Members of State Board of Regents</u>		
Mr. Pomerantz, President	All sessions	All sessions
Mr. Berenstein	All sessions	All sessions
Mr. Dorr	All sessions	All sessions
Mr. Fitzgibbon	All sessions	All sessions
Ms. Furgerson	All sessions	All sessions
Ms. Hatch	All sessions	All sessions
Ms. Johnson	All sessions	All sessions
Dr. Tyrrell	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 Executive Director Barak	All sessions	All sessions
Director Smith	All sessions	Excused
Associate Director Hollins	All sessions	All sessions
Assistant Director Hudson	All sessions	All sessions
Compliance Officer Maxwell	All sessions	All sessions
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Rawlings	All sessions	All sessions
Vice President Nathan	All sessions	All sessions
Vice President Phillips	All sessions	All sessions
Associate Vice President Small	All sessions	All sessions
Director Rhodes	All sessions	All sessions
<u>Iowa State University</u>		
President Jischke	All sessions	All sessions
Interim Provost Swan	All sessions	All sessions
Vice President Madden	All sessions	All sessions
Vice President Theilen	All sessions	Excused
Associate to the President Adams	All sessions	All sessions
Exec. Ass't. to President Mack	All sessions	All sessions
Assistant to President Bradley	All sessions	Excused
Director Jensen	All sessions	All sessions
<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	Excused
Assistant to President Gadelmann	All sessions	Excused
Director Chilcott	All sessions	Excused
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	Excused
Business Manager Nelson	All sessions	All sessions
Interpreter Cool	All sessions	All sessions
Interpreter Reese	All sessions	Excused
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	All sessions	All sessions
Director Hauser	All sessions	All sessions

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The following business pertaining to general or miscellaneous business was transacted on Wednesday, September 25 and Thursday, September 26, 1991.

President Pomerantz said it was his understanding that the students did not expect the tuition issue to be on the Board's agenda until 1:00 p.m. on September 25, 1991. Therefore, he gave public notification that the tuition discussion would take place at 1:00 p.m. or shortly thereafter.

**APPROVAL OF MINUTES OF BOARD MEETINGS, AUGUST 20 AND 29, 1991.** President Pomerantz asked for corrections, if any, to the Minutes.

**ACTION:** President Pomerantz stated the Board approved the Minutes of the August 20 and 29, 1991, meetings, by general consent.

### CONSENT ITEMS.

**MOTION:** Regent Furgerson moved, seconded by Regent Hatch, to approve the consent docket, as follows:

Receive the report of the Iowa College Student Aid Commission;

Approve the Next Meetings Schedule;

Refer the University of Iowa request for a Master of Fine Arts in Film and Video Production to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the University of Iowa request for Master of Law Degree Programs in International and Comparative Law to the Interinstitutional Committee on Educational

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Coordination and the Board Office for review and recommendation; and

Approve the renaming of the University of Iowa Office of Health Center Information and Communication to the Office of Health Science Relations.

The motion carried unanimously.

**INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a) Annual Report of Committee on Educational Relations.** The Board Office recommended the Board:

- (1) Receive the Annual Committee on Educational Relations Report.
- (2) Request that the Committee on Educational Relations establish the following goals for the 1991-92 academic year:
  - (a) Request that the Committee with the assistance of the Committee on Educational Coordination give a very high priority to resolving articulation issues related to the community colleges, particularly those related to the transfer of vocational/occupational credits;
  - (b) Request that the Committee explore the development of common minimum requirements for all Regent universities in cooperation with the secondary schools in Iowa; and
  - (c) Request that the Committee take the responsibility for reviewing and making recommendations on the recently-implemented course admission requirements to be incorporated in next year's annual report.

The Regent Committee on Educational Relations is charged with facilitating articulation among secondary schools and colleges and fosters cooperation with post-high schools in Iowa. This past year committee members participated in annual team visits to the community colleges leading to the approval of a series of recommendations for the community colleges by the Board of Education this past June. The Iowa Department of Education invited the Committee to be involved in the development of new standards for community college approval that are to be in place by July 1993.

The Committee sponsored the Seventh Annual Articulation Conference at the University of Northern Iowa for 67 participants from secondary schools, community colleges, and Regent universities.

At the request of the Iowa Department of Education, the Committee worked cooperatively with the community colleges to develop criteria for a quality arts and science program.

The Liaison Advisory Committee on Transfer Students is an ad hoc committee reporting to the Regent Committee on Education Relations that is revising the student progress report and developing a standardized process for evaluation of courses for transfer to Regent universities.

The Regent Committee on Educational Relations continued to support the recently-implemented course requirements for admission to Regent universities and suggested that a set of common minimum requirements for all Regent universities be developed with the secondary sector.

Future reports of the Committee will, in addition to the annual report, include a strategic planning format with goals, objectives, and past accomplishments. The goals for 1991-92 are included as a part of the recommended action. The report for next year should include an evaluation of these suggested goals.

It was recommended that the Committee with direct assistance from the Interinstitutional Committee on Educational Coordination make improved articulation with the community colleges its highest priority in the coming year.

Dr. Jerald Dallam, Chairman of the Regent Committee on Educational Relations, stated that the Board Office summary of the committee's annual report adequately described the committee's activities. He pointed out that committee members feel they made substantial contributions to the annual visitations to the community colleges. He said the committee worked closely with the Iowa Department of Education in terms of setting criteria for arts and science programs for Iowa Central Community College and Northwest and Northeast Iowa Community Colleges. Committee members plan to investigate the effect of unit requirements and the affect it has had on retention and graduation rates.

Regent Williams stated that one of the areas the Regents were requested to act on at this meeting was to establish a goal of dealing with articulation regarding vocational technical issues. She said she had some concerns. The effort needs to be undertaken but she hoped that in the process the Regent institutions retain their quality standards. The quality the Regent institutions have established should not be compromised and they should not accept programs that do not meet the quality standards. She said she understood that puts the committee members in a tough position.

Dr. Dallam expressed appreciation for Regent Williams' comments. The committee members have tentatively suggested looking at articulation on a program-by-program basis. That process has a lot of merit although it will take a lot of work. Committee members will spend a great deal of time in the next year addressing that issue.

Regent Williams stated that the committee has done a remarkable job. She said she has a problem with the allied health sciences multiple entry such as in nursing and dental hygiene. The problem is sequencing. It is out of sync with sequencing of Regent institutions. They must maintain the quality standards for those professions.

Regent Dorr said he echoed Regent Williams' concerns.

Regent Hatch said she endorsed the committee's goals for the 1991-92 academic year.

**ACTION:**

President Pomerantz stated the Board received the Annual Committee on Educational Relations Report and requested that the Committee on Educational Relations establish the goals for the 1991-92 academic year, as presented, by general consent.

President Pomerantz welcomed former Regent James Tyler to the meeting.

(b) Change in Admission Requirements at the University of Northern Iowa. The Board Office recommended the Board approve the change in admission requirements for the University of Northern Iowa.

The University of Northern Iowa in April requested approval of a change in its admission requirements from two to three years of science. This request was reviewed by the Board Office and the Interinstitutional Committee and was recommended for approval.

The change will make the University of Northern Iowa's science admission requirements similar to those at the University of Iowa and Iowa State University.

A plan for implementing the change has been developed by the university to provide for communication with students, parents, and counselors.

In response to a Board request, consultation was solicited with the secondary schools through the Department of Education resulting in a concern by the secondary schools about academic requirements being dictated by the Regent institutions and the need to base requirements on student exit outcomes rather than inputs. University officials believe that the concerns raised by the secondary schools have been met or will be minimal in this case since the proposed science requirement is the same as already required at the University of Iowa and Iowa State University. Many students have already begun to meet the increased science requirement and most secondary schools have already made the needed course adjustments.

Vice President Nathan stated that committee members feel that University of Northern Iowa officials developed an effective plan to implement the change in admission requirements and believe this is an appropriate decision on their part. The change will further the development of secondary education in the state.

MOTION: Regent Hatch moved to approve the change in admission requirements for the University of Northern Iowa. Regent Williams seconded the motion, and it carried unanimously.

(c) Suspension of Enrollment in the Undergraduate Curriculum in Leisure Studies at Iowa State University. The Board Office recommended the Board approve the suspension of enrollment in the undergraduate curriculum in Leisure Studies in the College of Education at Iowa State University, effective immediately and ending April 30, 1992.

Iowa State University officials requested Board of Regents permission to suspend enrollment in the undergraduate curriculum in Leisure Studies for a period beginning immediately and ending April 30, 1992. The request was made because of the uncertain future of the program due to current budgetary constraints.

This appears to be an appropriate time to review the program status and determine whether it should be continued. There are currently about 48 students enrolled in the program. This action was taken with the understanding that by April 30, 1992, the department and the college will have reached a decision as to whether the program will be reopened or whether its discontinuation will be recommended.

This request was reviewed by the Board Office and the Interinstitutional Committee and both recommended approval.

Regent Williams asked for the time frame for students to complete the program. Interim Provost Swan responded that fiscal year 1994 would be the last year that instruction would be needed.

MOTION: Regent Dorr moved to approve the suspension of enrollment in the undergraduate curriculum in Leisure Studies in the College of Education at Iowa State University, effective immediately and ending April 30, 1992. Regent Hatch seconded the motion, and it carried unanimously.

(d) Suspension of Enrollment in the Undergraduate Curriculum in Occupational Safety in the College of Education at Iowa State University. The Board Office recommended the Board approve the suspension of enrollment in the

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undergraduate curriculum in Occupational Safety in the College of Education at Iowa State University effective immediately and ending April 30, 1992.

Iowa State University officials requested approval to suspend enrollment in the undergraduate curriculum in Occupational Safety. The request was made because of the uncertain future of the program due to current budgetary constraints.

Due to staffing changes it appears that this is an appropriate time to review the program status and determine whether it should be continued. There are about 30 continuing students in the program this fall.

University officials indicated that by April 30, 1992, the department and the college will have reached a decision as to whether the program will be reopened or whether its discontinuation will be recommended.

Both the Interinstitutional Committee and the Board Office reviewed this item and recommended approval.

Regent Dorr asked if it would be possible to determine the cost savings over the process of the elimination. Interim Provost Swan responded that that part of the study process is ongoing.

President Pomerantz stated that neither of the two Iowa State University programs recommended for enrollment suspension were part of the Peat Marwick process. His only concern was that it had taken this long to get the issues to the Board. The Regents have to know the economic impact. He asked that in the future when similar requests are brought to the Board the numbers be included.

Regent Williams stated that the suspension of enrollments in this program is one that has been known for some time. The time frame is April 1992. She noted that at the University of Iowa they have had some surprises but the time frame is an eight-week period. Most of the programs were not identified in the Peat Marwick study. She said she had great concern about the University of Iowa time frames.

**MOTION:**

Regent Hatch moved to approve the suspension of enrollment in the undergraduate curriculum in Occupational Safety in the College of Education at Iowa State University effective immediately and ending April 30, 1992. Regent Furgerson seconded the motion, and it carried unanimously.

**ACCREDITATION REPORTS.** (a) College of Pharmacy, University of Iowa. The Board Office recommended the Board (1) receive the report on the reaccreditation of the baccalaureate and doctoral programs in Pharmacy at the

University of Iowa, and (2) request a follow-up report on the status of university efforts in addressing the concerns of the accreditation report.

The American Council on Pharmaceutical Education approved accreditation of the Doctor of Pharmacy and the Baccalaureate in Pharmacy Programs in June 1991. The five areas of concern identified by the Council included rebuilding of the Division of Clinical/Hospital Pharmacy, assurances for leadership and collegiality, revision of the strategic plan, quantitative strengthening of faculty, and faculty development and stability.

The accreditation action was taken in recognition of the progress underway for continuing development of programs but important issues continue to exist and unfinished work of a considerable nature remains to be accomplished by the College of Pharmacy.

The Council requested an interim written report regarding strengthening of the Clinical/Hospital Division and progress toward securing a permanent Dean for the College by May 1992. A Council staff visit is planned for 1992-93 to observe progress in addressing Council concerns.

The next reaccreditation is scheduled for 1996-97 and is contingent upon continued programmatic improvement.

Vice President Nathan said the University of Iowa has arguably a pharmacy program within the top 5 to 10 pharmacy colleges in the country. It has a very strong basic science program. University officials are currently interviewing dean candidates which he said he has found very enlightening. Candidates have said the college has a long and distinguished reputation as a pharmacy college. The college is experiencing some pains. There have been several dean changes in the last few years. Serious illness was involved in the departure of one of the deans. He said the new dean will support the university's efforts to achieve the goal of becoming one of the top 10 public universities in the country.

Regent Hatch asked for the enrollment in each of the two programs.

Vice President Nathan stated the doctor of pharmacy program graduates about 20 students/year. Substantially more students are graduated from the bachelor of pharmacy program. The current graduation rate is about 84 students/year. He said the doctor of pharmacy program is a 6-year program and the bachelor of pharmacy program is a 5-year program. The field is moving in the direction of the doctor of pharmacy being the preferable degree program. It has become a profession characterized by clinical pharmacy. Graduates are experts in pharmaceuticals.

Regent Hatch asked if the doctor of pharmacy was a 2-year post-baccalaureate program. Vice President Nathan responded that it is a 6-year program. Many of the students in the doctor of pharmacy program enter at the undergraduate

level. Some students come in with a bachelor's degree while others will go all the way through from the undergraduate program through the doctoral program.

Regent Hatch asked for the enrollment in the undergraduate program. Vice President Nathan responded that enrollment is a little over 300 in the entire undergraduate program. Students receive a liberal arts degree and a liberal arts education. They receive the professional education on top of the liberal arts education. There is a very rigorous professional pharmacy training. The field is moving in the direction that the college will have to provide all students in the next 5 years with the doctor of pharmacy education. He said the liberal arts component will continue to exist.

Regent Williams asked if it is a 5-year program right now. Vice President Nathan responded that the bachelor's is a 5-year program and the doctoral is a 6-year program. He said it is actually more than that because there are more professional pharmacy courses than the liberal arts degree demands. Some may count for electives. Students meet the full liberal arts requirement. He said it is a much more demanding curriculum than it was 25 years ago. Physicians simply are not capable of knowing as much about pharmaceuticals as they need to.

**ACTION:**

President Pomerantz stated the Board, by general consent, (1) received the report on the reaccreditation of the baccalaureate and doctoral programs in Pharmacy at the University of Iowa, and (2) requested a follow-up report on the status of university efforts in addressing the concerns of the accreditation report.

(b) School of Music, University of Northern Iowa. The Board Office recommended the Board receive the report on the reaccreditation of the School of Music at the University of Northern Iowa.

The University of Northern Iowa School of Music has been reaccredited for a ten-year period. The program meets or exceeds the standards established by the National Association of Schools of Music.

Some areas of concern, primarily of a financial nature (i.e., funds for scholarships, facilities, faculty and staff support), were noted by the site visit team and were being addressed by the university.

Provost Marlin stated that the accrediting group went on extolling the University of Northern Iowa music program. The university received very strong endorsement for the program. She said music is a very teaching-intensive program and the University of Northern Iowa enjoys a high-quality of

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faculty. University officials are already in the process of addressing some of the issues of concern.

Regent Williams congratulated the University of Northern Iowa. She said they have come a long way in their music program.

Regent Dorr stated, as a student of the school of music, that he was very impressed.

**ACTION:** President Pomerantz stated the Board received the report on the reaccreditation of the School of Music at the University of Northern Iowa by general consent.

**HIGHER EDUCATION STRATEGIC PLANNING COUNCIL.** The Board Office recommended the Board receive the report of the Higher Education Strategic Planning Council and approve the draft vision and mission statements for all higher education in Iowa.

The Higher Education Strategic Planning Council approved "draft" vision and mission statements for higher education in Iowa that were intended to reflect the uniqueness of each sector.

The Council adopted six priority issues for higher education that include quality, accountability, sector roles/coordination, improved access and choice, resource management, and support economic development, social and cultural needs.

The Council agreed to take on the higher education responsibilities for the Governor's Committee on Government Spending Reform.

Each sector was assessed \$5,000 to cover the costs of a consultant to assist the Council in developing a strategic plan.

Regent Williams said it was a very interesting 1-1/2 day meeting. Six priorities for higher education were identified and will form the council's focus for the next few months. The draft vision and mission statements were provided for the Regents' review. With regard to the mission statements, she said each sector was asked to tell the council what it is that makes it unique. She hoped the Regents would have comments about the drafts. The council will meet again in October. She noted that the council had been asked to serve as the body that advises the Governor's Committee on Governmental Spending Reform. She stressed that it was very critical that what comes out of this council meets with the Regents' approval.

Regent Berenstein asked, from a philosophical standpoint, whether any comments had been received as to the necessity of this additional layer of bureaucracy.

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President Pomerantz said they needed to be careful in terms of not establishing a super board. This council's function is to deal with duplication and coordination. They have to be aware of the issue Regent Berenstein mentioned. He said he did not see any real threat of a super board. The council's intent is to advise the Governor and, to a certain extent the legislature, on higher education. He noted that it was not just the Regents at issue but also the community colleges, private colleges, and K-12 systems.

Regent Berenstein questioned the draft mission statements of the three sectors. President Pomerantz said it was somewhat a catch-22. Hopefully each of the segments would have parameters.

Regent Berenstein questioned the involvement of K-12 in the Higher Education Strategic Planning Council. President Pomerantz clarified that K-12 was mentioned in terms of educating teachers. There is an indirect impact on K-12 systems.

Regent Hatch asked for a list of the members of the Council. President Pomerantz stated that Mr. Richey would mail Regent Hatch a list.

Regent Williams emphasized that the recommended action includes approval of the draft mission and vision statements.

Regent Fitzgibbon said it seemed to him over the years that any time something like this is started it always ends up with consultants and staff being added. President Pomerantz reiterated that it is somewhat a catch-22. If they were to support a budget for this group it would do away with assessments. The council has taken the position to have assessments and have more direct control over funding.

Regent Fitzgibbon stated that he was definitely opposed to super boards. He cautioned that they should be on guard against escalating the scope of the council and spending more money on consultants and staff.

Regent Dorr asked for the expected outcome of the council. President Pomerantz stated that the purpose of the council was to minimize duplication, coordinate programs efficiently and advise the Governor. Regent Williams added that a short-term and one-time goal is to serve as the body to advise the Governor's Committee on Government Spending Reform concerning higher education in Iowa. President Pomerantz said the council will address the higher education economics issues for the Governor's Committee on Government Spending Reform.

Regent Fitzgibbon asked if the legislative bodies also have a committee of this type. Regent Williams said the legislative committee is not a standing committee.

Regent Fitzgibbon asked for the results of the legislative committee's findings. Regent Williams responded that the Higher Education Strategic Planning Council is part of the result of the legislative committee's recommendations. President Pomerantz stated that many of the recommendations of the legislative committee's report have been implemented. There will be a follow up on the part of the legislature to make sure everything is done. The Higher Education Strategic Planning Council is a piece of it. There are a series of other recommendations that will impact higher education in the state.

Mr. Richey said the statutory authority for the council is strategic planning. It will perform its duties within the framework of strategic planning. With respect to the legislative proposal, he said a large thrust was on articulation. The articulation issue has been assigned to the Iowa Coordinating Council for Post-Secondary Education.

Regent Fitzgibbon asked for a copy of the report.

**MOTION:** Regent Berenstein moved to receive the report of the Higher Education Strategic Planning Council and approve the draft vision and mission statements for all higher education in Iowa. Regent Furgerson seconded the motion, and it carried unanimously.

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

The Iowa Coordinating Council for Post-High School Education held its first meeting of the 1991-92 academic year.

The Council took several important actions regarding the improvement of articulation including approval of additional members of the articulation committee to include secondary education and provided valuable advice on other articulation activities.

The Council approved several new programs. The most significant program addition was the Associate of Arts degree at the Hawkeye Institute of Technology, the last of Iowa's community colleges to initiate a college parallel program.

The Council approved the development of a marketing plan for all of higher education in Iowa.

The Council had a discussion with Congressional staff regarding the re-authorization of the Higher Education Act.

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Regent Williams said they had an interesting meeting at the University of Northern Iowa. The council will hold four meetings this year. In past years the number of meetings ranged from 7 to 9. Last year, when Regent Williams served as chair of the council, the members agreed to limit the number of meetings. She said many changes have been made in terms of the way programs are reviewed. Previously there was not a method for program disapproval. She feels that some significant progress has been made in the Coordinating Council even though it is a voluntary organization.

Regent Williams stated that last month when she attended the Coordinating Council meeting she was disappointed. They reduced the number of meetings to 4 in order to encourage attendance of all the Regent university presidents. The lack of attendance sends a strong message that either this council is not important enough or something else came up. She did not know why there was not better representation on the part of Regent university presidents. As a Regent she can represent the Board but not the institutions. The Coordinating Council is a council of board members and institutional heads. If they do not voluntarily evaluate their programs and provide a system for program approval, the responsibility may be taken out of their hands.

Regent Williams expressed concern that one of the programs that was approved at the last council meeting was for Hawkeye Institute of Technology to become a full associate degree-granting liberal arts community college. In achieving community college status this institution can provide the first two years of higher education. She was discouraged because of potential duplication with the University of Northern Iowa. At this time Hawkeye Technical has allied programs. Because it has not been a full associate degree-granting liberal arts community college, it has relied on the University of Northern Iowa to provide certain courses for its students. Now the president of Hawkeye Institute of Technology indicates it would be that institution's responsibility to provide those courses. Hawkeye Institute will be building laboratories and hiring faculty. Regent Williams questioned whether that was appropriate at this time when the Regent universities are cutting back. At this last Coordinating Council meeting there was no representative at all from one of the Regent universities. In the future she was not sure it would be worthwhile for Regents to devote their time if the university presidents are not willing to do so.

Regent Hatch asked if the Coordinating Council has ever denied a program approval. Regent Williams responded that it had but that it usually does not even get to a vote. When the council members receive notification of a proposed new program, the proposing institution is notified of any of the other sectors' concerns. It usually does not get to the point of denial because of the voluntary nature. When the Regent institutions are represented it works very well.

Regent Furgerson said the merged area schools were given responsibility for remedial education. There are students graduating from high school who are

not prepared to go into 4-year institutions. It was her feeling that Hawkeye Institute of Technology may provide some of that remedial education. This is one way students can get their first 2 years of higher education. They should continue monitoring the school's progress.

Regent Furgerson then referred to the telephone conversation the Coordinating Council had with Beverly Schroeder in Senator Harkin's office regarding the higher education act. Ms. Schroeder mentioned that floor action would be completed by Thanksgiving. There are some implications about student financial assistance that Iowa educational officials may want to be aware of. She said she would like someone to get this information. Senator Harkin's office was asking for feedback on the how the proposed bill would affect students in Iowa.

Regent Williams referred to the development of a marketing plan by the Coordinating Council. She said Susan Chilcott will be chairing a committee of public relations experts from the various sectors. The committee will address a marketing strategic plan for all of higher education in Iowa. She said the committee has been working very hard.

Regent Berenstein referred to his previous comments and said this touches on what he was concerned about. The Coordinating Council is the academic arm of higher education in Iowa. Now the Coordinating Council is concerned about marketing. He expressed concern that the council was getting into areas it was not qualified to address. At this rate it may get to the point where it has 3 or 4 different committees. He said he was not concerned about marketing strategies. His point is that he did not want to create multiple committees for the same function. The Coordinating Council is great for articulation and academic programs. Everyone should coordinate together so that people will not object to going to meetings to rehash everything that was rehashed at an earlier meeting.

Regent Williams addressed what she perceived as Regent Berenstein's concern that the Coordinating Council's marketing committee might duplicate marketing efforts within the universities. She said higher education in Iowa is in dire straits. One of the concerns of the members of the Coordinating Council is that people within the state of Iowa do not recognize the diversity and efficiency of the higher educational system within the state. The purpose of the marketing committee is to inform state agencies, businesses out of state and the general population about higher education in Iowa.

Regent Berenstein said it was his understanding that the purpose of the Coordinating Council was to handle academic functions, only.

Regent Williams stated that the Coordinating Council works in a variety of areas. In addition to academic issues it also works in terms of having a lobbying policy and making sure the sectors know what each is seeking. They ensure the "left hand knows what the right hand is doing".

Regent Dorr addressed Regent Williams' comment that higher education in the state is in dire straits. He said that in the total the system is over built -- there is more supply than demand. He was concerned about the various committees spending a lot of time trying to affirm their existence. If that is what they are getting involved in, it does not do service to the Regents.

President Pomerantz stated that the Coordinating Council was the result primarily of the reality that the various segments were developing duplicative programs. It has also established standards around articulation. The council came together on a voluntary basis to see if it could limit the amount of academic duplication. He said that if it is not conducted at that level it will be handled at another level.

President Pomerantz said the Coordinating Council's efforts need to be supported particularly with top-level institutional officials. As far as whether or not the council's function is duplicated at other levels or should be part of the Higher Education Strategic Planning Council's functions, he said they would be on the way to a super board if those functions were assumed by the Higher Education Strategic Planning Council. It is important that this function be carried on by the Coordinating Council. It is not a matter of diminishing the authority of one body to increase the authority of another. The state of Iowa has an excellent system for managing higher education. They need to guard that system because it is good for Iowa citizens. He strongly suggested they reinforce the mission of the Coordinating Council. The Regents need to send a loud and clear message for the university presidents to attend the meetings.

President Pomerantz said the state of Iowa has three universities and it needs all three. They also need all the colleges they have. After the college level, it becomes a different issue. Programs, departments and courses all need to be reviewed. They had better do that themselves if they truly wish to minimize structure. Iowa has 40 community college campuses and 30 independent colleges. That is a lot of structure that somebody has to pay for. The Regent universities must be as efficient as they can be to set an example for the rest of the state. Structure eats up resources.

Regent Dorr said he did not disagree with the fact that educational sectors need to govern themselves. He does have a problem with the fact that these entities appear on the surface to be reaffirming their own existence.

Regent Williams said that was her initial point. The Coordinating Council reviewed the request for approval of changes for a technical school to receive full community college status. The council did not have the input of two of the Regents' players.

Regent Hatch stated that Regent Williams is to be commended for strengthening the goals of the Coordinating Council and for the way it has been run during

the last year. She said the council is a way to share information. She then said she did not believe that all the community college presidents are asked to attend Coordinating Council meetings. She was not sure that the president was the appropriate person. She agreed there should be representatives of the Regent universities although she did not necessarily see it as a function of the CEOs.

Regent Williams stated that the community college representatives who attend the Coordinating Council meetings are the presidents and trustees. The members of the Coordinating Council include the university presidents. The primary decision maker in the university is the president. Will they really accomplish what is wished to be accomplished without the input of the Regent university presidents?

Regent Berenstein asked if Regent Williams felt that the University of Iowa Vice President for Academic Affairs might not adequately represent the University of Iowa President. Regent Williams said there is more to the question than that. When all the people coming from the other institutions are presidents and trustees, the perception is that it is not that important to the presidents of the Regent universities.

President Pomerantz stated that if the Regents are going to take their time to attend the Coordinating Council meetings then the university presidents should carefully evaluate whether they should attend.

Regent Berenstein pointed out that the university presidents are now being requested to attend the Banking Committee meetings. A committee's functions should be matched up with the appropriate institutional people. He agreed that it was important that there is institutional representation.

**ACTION:**

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

President Pomerantz welcomed Senator Paul Pate to this meeting.

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

The Iowa College Student Aid Commission met on September 10 in Davenport to consider its regular business. Following consideration of a study of the reserve fund for guaranteed student loans of the Commission by KPMG Peat Marwick, the Commission voted to reduce its insurance premiums for guaranteed student loans to .5 percent from the present level of 1.0 percent for Stafford loans and 3.0 percent for PLUS and SLS loans. This action will reduce the cost to students and allow the reserve fund to continue at an acceptable level.

The Commission adopted a motion stating its intent to create a middle-income student loan program in a joint effort with the Iowa Student Loan Liquidity Corporation. These unsubsidized loans would carry higher interest rates than the subsidized Stafford loans.

The Commission approved its budget request for the various programs under its jurisdiction. The final numbers for the requests for the tuition grant program and other student assistance programs were not available because of amendments made during the meeting.

Staff reports to the Commission included a summary of the actual expenditures for fiscal 1991 for the various aid programs including the number of recipients and the average award, a status report on the Iowa Stafford Student Loan Program since its inception in fiscal year 1979, and a summary of the awards of State of Iowa Scholarships, Iowa Tuition Grants, and Iowa Vocational Technical Tuition Grants for fiscal 1992.

**ACTION:** This report was received by consent.

**STRATEGIC PLAN FOR TECHNOLOGY TRANSFER AND ECONOMIC DEVELOPMENT.** The Board Office recommended the Board receive the preliminary plan on Technology Transfer and Economic Development for the Regent universities.

The strategic plan adopted by the Board of Regents in 1989 contained a specific goal to contribute to the economic development of the state by encouraging both basic and applied research and encouraging the transfer of technology to the private sector.

A plan for technology transfer and economic development designed to implement this goal was presented in preliminary form. The plan builds on the technology transfer and economic development activities of the three Regent universities and is consistent with the mission and strategic plans of each of the institutions.

The institutional plans provide specific goals and objectives for implementing the Board of Regents goal to contribute to the economic development of the state.

Director Barak stated that later this fall the final version of the plan will be presented. It was presented today for discussion.

President Jischke stated that over the last 8 years Iowa State University has made substantial efforts to build its research capacity that relates to Iowa's economy and future as well as diversity through science and technology. He said the array of programs is as substantial and comprehensive as anything he seen in the United states. They have enjoyed great success particularly in the area of agriculture.

Regent Dorr commended both University of Iowa and Iowa State University officials particularly in their efforts in this area. He asked if there was a way to begin to develop a score card mechanism. He said that would be very helpful and beneficial to witness the fruits of the efforts. He encouraged university officials to somehow develop that process.

President Rawlings said Regent universities' officials made a presentation to the legislative fiscal bureau on their plans and of the potential for transferring technologies of university research into the private sector. The reaction was quite positive.

Regent Hatch said she heard a "score card" when President Jischke spoke in her community. She was spellbound.

Regent Dorr said it was necessary that the public in general be aware of these successes. He asked to go on record that the capabilities of the institutions concerning technology transfer should be the focal points for these efforts.

Regent Berenstein said it was imperative that the presidents present joint score cards to let citizens know they are not competing for funds. He said he appreciated Presidents Jischke's and Rawlings' joint appearance in his community which showed that the two are working together. That sells well around the state.

**ACTION:** President Pomerantz stated the Board received the preliminary plan on Technology Transfer and Economic Development for the Regent universities, by general consent.

**ANNUAL STUDENT AID REPORT.** The Board Office recommended the Board (1) Receive the Annual Governance Report on Student Financial Aid and (2) Request that the Student Aid Directors undertake the following goals for 1991-92:

- (a) In association with student aid leaders nationally, simplify and improve the student aid application process;
- (b) Consider undertaking a study of how Iowans pay for college; and
- (c) Develop strategies for providing aid dollars to facilitate access for applicants with limited budgets, for talented scholars, and to promote diversity on the campuses.

#### NATIONAL TRENDS

National trends indicate that state and institutional shares of financial aid increased as the federal share of aid decreased. Federal aid represented only

75 percent of the total aid available nationally in 1990-91 compared with 85 percent a decade ago.

The dollar amount of aid available nationally increased to \$27.9 billion in 1990-91 from \$26.8 billion in the previous year, but did not keep pace with inflation.

The national \$12.4 billion guaranteed student loan program provided 45 percent of available aid and was the largest source of aid in 1990-91.

According to the College Board, college costs have risen faster nationally than student aid or family incomes.

#### TRENDS AT REGENT UNIVERSITIES

Regent institution trends indicate that students and their families are continuing to rely heavily on loans to meet expenses for university education.

The reduced percentage of total aid provided by federal sources has resulted in more Regent student aid being provided by the state and institutions in the last ten years.

Enrollment pressures indicate that strategies are needed for providing aid dollars to facilitate access for applicants with limited budgets, for talented scholars, and to promote ethnic diversity on campuses.

Improvements in the application and reporting processes are needed and may evolve as federal financial aid programs are reauthorized by Congress.

More knowledge about how Iowans finance a college education could help improve the distribution of aid to resident students.

#### STUDENT FINANCIAL AID 1990-91

Approximately \$246.9 million in student financial aid was provided to 45,843 individual students at the Regent universities during 1990-91. The average award was \$4,106 per full time equivalent student. The total fund exceeded the \$236.3 million that was distributed to 46,507 students in 1989-90 by 4.5 percent.

The University of Iowa aided 20,798 students with \$117 million, Iowa State provided 17,814 students \$100 million, and the University of Northern Iowa awarded 7,231 students \$30 million in aid.

Of the 45,843 students receiving aid, 58 percent obtained loans, 55 percent obtained aid through work programs, and 58 percent received grants. Some students received more than one type of aid.

Applications for aid at Iowa State University reached 16,843 compared with 15,979 in 1989-90. Additionally, 9,900 renewal students completed the aid application as contrasted with 9,726 in the previous year. Applications are not filed by some students who receive talent and recognition awards.

The four categories of sources that provide financial aid to students were institutional, state, federal non-institutionally controlled, and federal institutionally controlled.

Institutional awards in 1990-91 were \$124,810,440 compared with \$117,074,685 in 1989-90, an increase of 6.6 percent. The 50,092 institutionally supported awards averaged \$2,492.

State awards in 1990-91 were \$4,943,133 compared with \$4,212,448 in 1989-90. The 5,788 state supported awards averaged \$854.

Total federal funding increased to \$117,129,372 in 1990-91 from \$114,995,629 in the previous year. The 50,620 federal awards averaged \$4,314.

Federal veterans programs provided approximately \$2.3 million to 1,120 students.

Institutional merit programs awarded \$14,238,957 in 9,839 non-need based scholarships, grants, fellowships and traineeships.

Of the 45,843 students receiving financial aid, 35,267 were resident students.

Financial aid of \$ 20,259,739 was provided to 3,272 minority students.

Financial aid of \$17,501,294 was provided to 3,275 foreign students.

President Pomerantz underscored that any time they talk about increased tuition, a component of that increase is allocated to student aid.

**ACTION:** President Pomerantz stated the Board, by general consent, received the Annual Governance Report on Student Financial Aid and requested that the Student Aid Directors undertake the goals for 1991-92, as presented.

**TUITION AND MANDATORY STUDENT FEES.** The Board Office recommended:

(1) That the Board give preliminary consideration to recommended increases in tuition rates at Regent universities for 1992-93 of 9 percent.

- (2) That the University of Iowa's Master of Business Administration (MBA), Law and Medicine tuition be increased by \$750 in addition to the basic 9 percent increase.
- (3) That the Board continue its planned four year phase-in of student health fees by increasing the student health fee at the Regent universities by \$10 per semester to a total of \$30 per semester.
- (4) That general institutional financial aid to students be increased at the rate of the proposed basic increase in tuition and mandatory fees to offset the impact on students now receiving institutional financial aid.
- (5) That the proceeds of the tuition increase be earmarked for improvement of instructional and student services.
- (6) That the following tuition rates be adopted effective with the 1992 summer session.

PROPOSED 1992-93 REGENT UNIVERSITIES TUITION RATES

	-----Resident-----			-----Nonresident-----		
	Proposed Tuition 1992-93	\$ Increase	% Increase	Proposed Tuition 1992-93	\$ Increase	% Increase
<b>UNIVERSITY OF IOWA</b>						
Undergraduate	\$2,128	\$176	9.0%	\$7,052	\$582	9.0%
Graduate	\$2,524	\$208	9.0%	\$7,350	\$606	9.0%
MBA	\$3,274	\$958	41.4%	\$8,100	\$1,356	20.1%
Law	\$3,494	\$976	38.8%	\$9,476	\$1,470	18.4%
Medicine	\$7,466	\$1,304	21.2%	\$18,150	\$2,186	13.7%
Dentistry	\$4,836	\$400	9.0%	\$13,596	\$1,122	9.0%
Pharmacy	\$2,744	\$226	9.0%	\$8,726	\$720	9.0%
<b>IOWA STATE UNIVERSITY</b>						
Undergraduate	\$2,128	\$176	9.0%	\$6,982	\$576	9.0%
Graduate	\$2,524	\$208	9.0%	\$7,282	\$602	9.0%
Veterinary Medicine	\$4,838	\$400	9.0%	\$12,942	\$1,068	9.0%
<b>UNIVERSITY OF NORTHERN IOWA</b>						
Undergraduate	\$2,128	\$176	9.0%	\$5,430	\$448	9.0%
Graduate	\$2,346	\$194	9.0%	\$5,986	\$494	9.0%

- (7) Request the Interinstitutional Registrars Committee to formulate a uniform policy for Regent universities on exemptions from payment of certain mandatory fees by students who are absent from campus for the fee period.

New legislation requires that changes in tuition and changes in "mandatory fees charged to all students" be made by the November Board meeting for the succeeding fiscal year.

The proposed increase in tuition and mandatory fees would raise total tuition and mandatory fees by \$98 per semester, or 9.4 percent, for resident undergraduates.

The proposed increase in student financial aid will offset the negative impact of the higher tuition and mandatory fees on students now receiving institutional financial aid.

#### TUITION PROCEEDS

The gross gain in fiscal year 1992 tuition revenues before deducting for the student aid set-aside is expected to be \$14.568 million distributed as follows: \$6.699 million at the University of Iowa, \$5.763 million at Iowa State University, and \$2.106 million at the University of Northern Iowa.

The net gain in fiscal year 1992 tuition revenues, after deducting the student aid set-aside, is expected to be \$12.32 million distributed as follows: \$5.596 million at the University of Iowa, \$5.022 million at Iowa State University, and \$1.703 million at the University of Northern Iowa.

The net increase in tuition revenues of \$12.32 million would be earmarked for improvement of instructional and student services.

#### OVERALL STUDENT COSTS

The proposed increases in tuition and mandatory fees would raise the total amount of tuition and mandatory fees for resident undergraduates from \$2072 in 1991-92 to \$2268 in 1992-93.

New legislation requires that there be a "final docket memorandum that states the estimated total cost of attending each of the institutions of higher education under the board's control". To fulfill this requirement the Board Office prepared estimates based on the proposed tuition and mandatory fees, estimated 1992-93 room and board charges, and projections of the 1992-93 costs of books and supplies, transportation, and other living expenses, based on the estimated 1991-92 costs for these items plus a 5 percent inflation factor.

The estimated total student costs of attending Regent universities for resident undergraduates in 1992-93 is estimated to rise by 7.2 percent at the University of Iowa to \$7927 per academic year, by 7.3 percent at Iowa State University to \$8176, and by 7.1 percent at the University of Northern Iowa to \$7338.

Estimated 1992-93 room and board charges were supplied by the university residence systems and are subject to change before the official 1992-93 charges are proposed in spring 1992.

Estimated 1991-92 costs of books and supplies, transportation, and other living expenses used for the 1992-93 projections are the official totals used by the student financial aid offices in calculating financial aid awards.

#### TUITION POLICY AND OTHER FACTORS AFFECTING THE SETTING OF TUITION RATES

Board policy adopted in 1990 provides that resident undergraduate tuition will not increase at a rate higher than the change in the Higher Education Price Index except when funding is insufficient to finance university programs at a level that maintains their quality and effectiveness. The national Higher Education Price Index is estimated to have increased by 5.3 percent in fiscal year 1991. The projected increase in the Consumer Price Index in 1991-92 and 1992-93 is 4.2 percent and 3.3 percent respectively, according to Data Resources, Inc.

The state's financial condition makes continuation of adequate funding for the Regent universities very uncertain. In order to assure that the quality of instructional and student services are maintained and improved, tuition increases at or near the proposed 9 percent appear to be necessary.

Never in their history have budgetary reductions forced the Regent universities to lay off as many employees and restructure and reorganize programs and services as they have in the current situation. It is imperative during this period of financial difficulty that the Regent universities not lose ground gained in providing quality instructional and student services.

#### PROPOSED TUITION DIFFERENTIAL FOR UNIVERSITY OF IOWA MBA, LAW, AND MEDICINE PROGRAMS

University of Iowa officials proposed levying an additional \$750 tuition on its Master of Business Administration (MBA), Law, and Medicine programs in addition to the 9 percent increase in basic tuition.

The three programs would each retain the proceeds of the \$750 tuition differential, which in 1992-93 are estimated at \$300,000 for the MBA program, \$570,000 for the Law program, and \$515,000 for the Medicine program. The additional revenues generated by the tuition differential would be used for: (1) MBA - increased tuition support for high quality students and targeted minorities, placement support, and support for numerous programmatic activities; (2) Law - additional faculty support, support of the writing center, and general expense relief; (3) Medicine - increased support of instructional efforts.

MBA tuition at the University of Iowa has been the same as the general graduate tuition, though comparable institutions frequently charge higher tuition rates for their MBA programs. MBA, Law, and Medicine are high student demand programs and university officials state that the tuition differential could be added without distorting application and admission patterns.

A similar tuition differential added to other professional programs (Dentistry and Pharmacy at University of Iowa and Veterinary Medicine at Iowa State University) would be a handicap in attracting students to those programs and could result in lower net revenues.

The University of Iowa's professional programs, as a group, have tuition and mandatory fees rates well below the averages of comparable institutions. Even with the tuition differential added, the University of Iowa's tuition rates in the three programs would remain below Big Ten averages.

The proposed tuition differential will help close the gap between professional program tuition levels and professional program unit costs of instruction.

COMPARISONS OF REGENT TUITION AND MANDATORY FEES TO THOSE  
CHARGED AT COMPARABLE INSTITUTIONS

In almost all categories, Regent 1991-92 tuition and mandatory fees were comparatively lower versus national and comparison group averages than 1990-91 rates, and continued a trend of the last few years toward comparatively lower rates. Indications are that tuition and mandatory fee charges across the country will increase substantially in 1992-93, probably at rates comparable or higher than the proposed increase in Regent tuition and mandatory fees.

The University of Iowa's 1991-92 resident undergraduate tuition rate, at 32.7 percent below the average, was the lowest among public Big 10 universities for the 8th straight year.

Iowa State University's tuition and mandatory fees have traditionally been below the averages of its group of comparable land grant institutions, and dropped further below averages in 1991-92.

The University of Northern Iowa's 1991-92 tuition and mandatory fees were average to below average against its comparison group of 11 comparable institutions.

Over the past five years, the average resident undergraduate tuition and mandatory fees charged by the institutions in the Regent universities' primary comparison groups has risen faster than it has at the Regent universities.

### STUDENT SHARE OF EDUCATIONAL COSTS

A comparison of tuition rates to the Regent universities' unit costs of instruction shows that students bore an increasing share of the cost of their education during the 1980s. The share dropped in 1990-91, but is expected to increase again in 1991-92 to about the levels of 1988-89.

Resident undergraduate tuition is estimated to equal 37.8 percent of undergraduate instructional unit costs at the University of Iowa in 1991-92, 32.1 percent at Iowa State University, and 34.7 percent at the University of Northern Iowa.

Nonresident undergraduate tuition is estimated to equal 125.2 percent of undergraduate unit costs at the University of Iowa in 1991-92, 105.5 percent at Iowa State University, and 88.6 percent at the University of Northern Iowa.

The unit costs of instruction do not include the cost of student financial aid, building repairs, and many other expenses that are part of the cost of providing an education to students.

### MANDATORY FEES

Regent universities levy two mandatory fees that are charged to all students -- for student health services and computers.

The Board Office recommended that the Board continue its planned four year phase-in of student health fees by increasing the student health fee at the Regent universities by \$10 per semester to a total of \$30 per semester. The recommended increase of \$10 per semester in the student health fee will continue the four year phase-in of a program adopted by the Board in October 1989. This will be the third year of the phase-in.

The goals of the program are to provide basic health services equitably to all students and to put the student health services on a financially sound basis.

The current \$20 per semester mandatory student health fee is estimated to yield approximately \$2.5 million in fiscal year 1992 for all three universities.

The recommended increase in the mandatory health fee to \$30 per semester in fiscal year 1993 is estimated to yield \$3.8 million.

The institutions plan to retain some General Fund support for Student Health Services to offset the costs of services that benefit the entire university community, such as drug and alcohol education, measles immunization, etc.

COMPUTER FEES

No increase in computer fees was proposed.

The Regent student computer fees are: (1) University of Iowa, \$100 per semester for engineering students, \$40 per semester for all other students; (2) Iowa State University, \$100 per semester for College of Engineering and computer science students, \$40 per semester for all other students; and (3) University of Northern Iowa, \$40 per semester for all students.

These computer fees were approved for all three universities earlier this year and were effective in Fall 1991.

A uniform policy does not exist at the universities on exemptions to payment of mandatory fees if students are off-campus for the whole fee period (e.g., student teaching or international study). The Board Office recommended that the Interinstitutional Registrars Committee be requested to formulate a uniform policy for Regent universities on exemptions to payment of mandatory fees by students who are absent from campus for the fee period.

Mr. Richey said the recommendation for tuition for fiscal year 1993 is for an approximate 9 percent basic tuition increase. The recommendations were based solely on the needs of the institutions in maintaining and improving instructional and student services because of the State's financial circumstances. The recommended tuition increase is based on growth in the State economy of 4 percent to 5 percent. This increase would be the only money for maintaining the instructional and student service programs. The increase would result in an additional \$12.2 million net plus \$2.2 million in student financial aid. He said each of the institutions prepared reports delineating what they would do with those funds which would involve additional faculty, student counseling and library hours. The additional funds would be very directly expended for those programs.

Mr. Richey stated that the Consumer Price Index experienced growth of less than 4 percent and the Higher Education Price Index experienced growth of 5.3 percent. Those factors argue for a tuition increase in the magnitude of 4 percent to 5 percent. The probable increase specific to the Regent institutions would be 5 percent to 6 percent. He said the reason for the higher-than-normal tuition increase is to protect the educational quality of Iowa's Regent institutions and to stay on course in terms of strategic plans.

Mr. Richey stated that tuition for law, medicine and business administration programs at the University of Iowa are all very low as compared to programs in other states. Those programs at the University of Iowa are also of very high quality. The Board Office concluded that those programs, access and quality would be maintained through the additional increase. With regard to the student health fee increase, he said the funds would be utilized to expand

student health services. The computer fees would be maintained at current levels.

President Pomerantz addressed a question raised over the last few days regarding per capita income. He said Iowa is 27th in the nation. Iowa is somewhere in the middle range in the United States and Iowa's tuition ranks lowest in the Big 10.

Mr. Richey stated that corollary to this recommendation is the budget request for fiscal year 1993. The budget requests are based on substantial increase in the State's efforts to support the Regent institutions.

President Pomerantz pointed out that Iowa's Regent universities should be compared to other universities around the country. Other universities are going through dramatic tuition increases. Many people worry about access. Perhaps as important an issue to be concerned with is quality. They must adequately fund the financial aid programs when tuition is increased. They must identify needy students and support their aid. The issue around tuition is critical. They must look at it fairly and objectively. They must ensure they are sending the right message to all their constituents regarding quality education and access.

President Pomerantz noted that legislators Minnette Doderer and Mary Neuhauser were present at this meeting, and welcomed them.

President Pomerantz said they must understand the kind of dilemma they are in. He would rather be talking about a tuition reduction. He hoped that some time tuition can level off. The Regents are forced to be pragmatic because they are not receiving consistent funding. They must maintain the quality that the people of Iowa believe in.

Matthew Wise, University of Iowa student representative, said he addressed the Board of Regents at the end of last year regarding how much students pay for school. He came out in support of student fees. However, students feel that a 9 percent tuition increase is not acceptable. Students would be supporting the legislature and the Governor if the Regents increase tuition in that amount. It would be like telling the legislature that it is fine to cut the Regents' budgets. Student leaders talked and agreed that they will not accept a tuition increase in excess of the inflation rate. He said access is their first priority, not quality. Students feel there can be accessibility and quality. They must force State government to support higher education. They should force the legislature to make a difference. He said he had heard that the University of Iowa has the lowest tuition in the Big 10. Just because everyone else's tuition is higher is not a good enough reason to increase tuition. Students cannot work their way through school. He urged the Regents to not increase tuition. They must make the State pick up its share. They must make the State government make higher education a top priority. Mr. Wise stated that tuition should not increase above the amount state appropriations

are increased. The State should always pay more of a student's cost of higher education.

David Stark, University of Iowa campus director of United Students of Iowa, stated that he was very concerned about the proposed 9 percent tuition increase. He said it is too high. He understood the Regents' position. Although they may have the lowest tuition in the Big 10, their tuition when taken as a percentage of per capita income is not the lowest. He said his father came here from the Chicago suburbs because he wanted to teach in a state that showed a commitment to education. If the Regents approve the recommended tuition increase, they will be giving the State the grounds for making further cuts. The tuition income has increased a lot more than the state-funded amount of the university budget. They must not pass the burden onto students. Whatever the Regents' decision, he said the students have to accept it.

Al Beardsley, representing University of Iowa professional students, stated that graduate and professional students echo what Mr. Wise said. They are prepared to pay for a quality education. What they have seen over the past 10 years is a situation where tuition has increased at twice the rate as State appropriations. The Regents are shifting the burden from the State to students. He asked that 1) the rate of tuition increase be limited to the rate of increase in the Higher Education Price Index, 2) they tie the increase to the percent increase in State appropriations, and 3) the rate be calculated from the budget before the reversions were made this year.

Mr. Beardsley addressed the \$750 special increase in medicine, law and MBA programs. He said he is from Iowa. He came back to Iowa for graduate school because he loves Iowa and would like to settle here. He has received an excellent education. He hopes that the people who follow him will also receive an excellent education. Many other students also feel the same way about Iowa. They like coming here where they can afford a quality education. In response to the proposed \$750 special increase, he said the professional students do not want to endorse or oppose the assessment at this time. They want to study it and see where that money will be going. If part of that increase goes to increased quality perhaps the students will support the increase. For the professional students to accept it, the lion's share of that money needs to go into student aid in those programs. If they want to attract the people coming from rural Iowa, there will have to be tuition affordable for those people. He said the students will be able to give a more considered response in October.

Mike Noble, President of the Iowa State University Government of the Student Body, said students were quite shocked about the proposed 9 percent tuition increase. He acknowledged that the quality of education is extremely important. Our nation is at great risk regarding education. West Germany is passing the United States. Quality of education is extremely important. Students are against a 9 percent increase. He feared that students could be

denied access because of the tuition increase. He said a mind is a terrible thing to waste.

John Hinz, Iowa State University graduate student representative, questioned accessibility and how Iowa rates in terms of other states. They must keep accessibility high. He said he echoed everything that was said before him. He urged the Regents to keep the rate of tuition increase at the rate of inflation.

Ron Woodall, University of Northern Iowa student representative, stated that the tuition increase will have a drastic impact on the students. Students are having a rough time right now. He stated that University of Northern Iowa students are overwhelmingly against the proposed 9 percent tuition increase. He said if the 9 percent increase is adopted, it would be the highest dollar increase in tuition in 20 years. While State appropriations have increased 88 percent in that time period, students have experienced a 193 percent increase in tuition. At that rate, tuition would be \$13,000+ in the year 2016. To that would be added computer fees and health fees. Another problem is that there is no predictability in this process. He suggested the Regents find a way so that year after year students will have a general idea what the tuition increase will be. Over the next couple of weeks he will talk to as many students as he possibly can. The other student body presidents will also go back to their campuses and further discuss the tuition matter with students. Student leaders would like to come back in October with a much better understanding of what their students will support in the way of a tuition increase.

President Pomerantz stated that State law requires the Regents to have tuition docketed for November.

Mr. Woodall asked if the Regents Office could start doing research on different figures. President Pomerantz suggested that Mr. Woodall stay in close contact with Mr. Richey's office. He felt sure that Mr. Richey would do his best to provide students with whatever they would reasonably request.

Ben Stone, United Students of Iowa, clarified that students would like to make a presentation to the Board in October. He then addressed the numbers presented to the Regents. He said they were very interesting and some were not very relevant. The important question is can the people of Iowa afford to attend a public university. He asked that they look at the disposable income of Iowans. Iowa is ranked 42nd in the country in tuition as a percentage of disposable income. He questioned whether the farmer in Red Oak or the meat packer in Denison can save money and in 20 years expect to be able to send their children to college. He said there are profound implications for the future of the state and the country. It is a catch-22 if they let the legislature off the hook by increasing tuition. He suggested some kind of matching fund program might work. They were not just talking about \$196. Year after year it goes higher. The affordability of higher education in Iowa

is getting worse not better. He said financial aid only helps the people who can get it, not the middle income earner. He asked that the Regents listen carefully to students and consider their position.

Professor John Longnecker, University of Northern Iowa, stated that he was representing himself and his views. When he addressed the students last Friday he told them he was against the tuition increase but would support the increase because of the quality of education. Quality of education is a milestone we are trying to maintain. He said the Regents will be faced with the decision of quality versus increased accessibility. He hoped quality is what would come out on top.

President Pomerantz said they would proceed with the recommended actions. This issue will be docketed for final approval in November. They should use the interim to evaluate the arguments made and look at whether it should be included on the October docket.

Regent Hatch said the Regents have been told previously that the Iowa student paid about 30 percent of their higher education tuition and the State paid 70 percent. The figures included in the docket memorandum indicated that the figure was 37.8 percent for the undergraduate. The Regents need to make a policy statement about those percentages.

President Pomerantz said he asked the Board Office to review those numbers historically.

Regent Hatch said she would like to see the raw data. President Pomerantz said staff is in the process of validating the numbers.

Regent Hatch stated that the Regents have been told previously that non-resident tuition was paid 100 percent by the student; however, the figure in the docket memorandum indicated that University of Northern Iowa non-resident students pay 88.6 percent of their educational costs. She asked what the percentages would be if the Regents approved the proposed 9 percent tuition increase. She then referred to the statement in the docket memorandum that the professional programs at the University of Iowa, as a group, have very high instructional costs. She asked for those specific costs.

Mr. Richey said it is very difficult to break those program costs out individually.

Regent Hatch stated she read in the newspaper that enrollments in law and medicine were down. She questioned the statement in the docket memorandum that the additional costs would not affect enrollments. Vice President Nathan stated that enrollment is the same in medicine and is up in law. The number of students applying has increased rather substantially. He said admissions are capped in both law and medicine. They have a very large first year class in law. In a comparison with Big 10 universities, he said there was only one

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with a per capita income lower than Iowa's. Also, he did not think there was a university located in any Big 10 state with as low a population as Iowa.

President Pomerantz said if they are going to look at that they have to evaluate the cost of living in Iowa. At the end of the day the Regents will have that very delicate task of balancing quality and accessibility while remembering that these are public institutions. They should not let the State fund the institutions with less than it should be.

Regent Furgerson urged that the Regents do as the students have asked and allow them to speak at the October meeting. That will give the Regents time to look at some of the issues the students raised. President Pomerantz stated that as a matter of Board policy the students can speak at any and every meeting.

Mr. Richey referred to the payment of less than 100 percent of educational costs by non-resident students at University of Northern Iowa. He said the Board has deliberately made the exception of full cost recovery at University of Northern Iowa. The University of Northern Iowa student population is only 3 percent to 4 percent non-resident students. It was felt that a lower tuition would allow for a wider diversity of students.

President Pomerantz said they should not liberalize the out-of-state student tuition. They should serve the Iowa students. They should take a good look at the University of Northern Iowa out-of-state student tuition policy from a purely economic perspective. They should not foreclose an Iowa student from attending and they should not give preference to out-of-state students.

Regent Berenstein said University of Northern Iowa seems to be suffering from having more students than can be accommodated. He would just as soon lose the out-of-state students and serve Iowans. He then said that as the Regents deliberate the tuition matter it is obligatory on the Board's part to make sure the numbers compare "apples and apples". During the next 60 days he hoped the information disseminated would be the same set of numbers comparing the same set of percentages.

Regent Williams asked for the date the Regents can expect to receive the enrollment reports. Mr. Richey responded that in October the first report would be issued.

President Curris addressed the policy regarding the difference in out-of-state undergraduate student tuition for the University of Northern Iowa. He agreed that university officials need to take a look at that policy. He would like to get back to the Regents with some suggestions.

Regent Dorr said it was an interesting phenomenon that some students feel that access is more important than quality. He questioned what aspect of the

quality they would like to diminish. On the other hand, he said he heard other students say that quality was the overriding factor.

Regent Williams said this Board has the responsibility for making the tuition decision. The Regents have set some pretty high standards in terms of what higher education in Iowa should be. If they are going to reverse that they should think carefully about it.

Regent Fitzgibbon cautioned that they not overlook out-of-state students. He said they bring something more than money to the campuses. There is a certain kind of quality they bring to the university campus regarding the mix of students.

Regent Hatch said the question is at what price.

Regent Fitzgibbon said he had occasion to ask some of the deans of colleges what happens to recruiting when tuition increases. The majority say it would have an effect.

Regent Johnson said she understands accessibility and quality issues. She chose to attend an Iowa Regent university because it is the best. She believes this Board is committed to quality and accessibility. The students should put faith in the fact that the Regents will do the best they can.

**ACTION:** President Pomerantz stated the Board approved the recommended action, by general consent.

**REVISED FISCAL YEAR 1992 BUDGETS.** The Board Office recommended the Board:

- (1) Approve the University of Iowa budget revision increasing tuition revenue and expenditures for fiscal year 1992 by \$1.99 million. Increased expenditure categories include:

**Student Services**

Admissions	\$ 500,000
Registrar's Office	360,000
Recruitment Expenditures/Marketing	50,000

Undergraduate Education

Library	
- Increase in Library hours	50,000
- Interactive Information Learning Center	150,000
College of Liberal Arts	400,000
College of Business Administration	165,000
College of Engineering	165,000
Classroom Renovation/Schaeffer	<u>150,000</u>

TOTAL \$1,990,000

- (2) Approve Iowa State University's budget revision for fiscal year 1992 increasing tuition revenue by \$950,000, indirect cost recoveries by \$300,000 and expenditures by \$1.25 million. Increased expenditure categories include:

Increased Student Aid	\$ 200,000
Faculty salaries-teaching support	150,000
Supplies & services	450,000
Equipment	200,000
Building Repairs	<u>200,000</u>

TOTAL \$1,200,000

- (3) Approve the University of Northern Iowa budget ceiling adjustment increasing tuition revenue and expenditures by \$450,000. Increased expenditures will occur in faculty salaries and instructional materials.
- (4) Approve the following operating budget supplemental appropriation requests for fiscal year 1992.

(000's Omitted)

University of Iowa		\$ 766
Iowa State University General	723	
Agriculture Experiment Station	90	
Cooperative Extension Service	<u>55</u>	
Subtotal Iowa State University		868
University of Northern Iowa		225
Iowa School for the Deaf		35
Iowa Braille & Sight Saving School		<u>25</u>

TOTAL \$1,919

The Board Office recommended approving the budget revisions for fiscal year 1992 submitted by the Regent institutions due to tuition and fees revenue being adjusted by higher-than-expected enrollments.

The table below represents enrollment increases over the budgeted estimates.

Fall 1991

	<u>Projected Enrollment</u>	<u>Current Enrollment</u>	Increase	
			<u>Students</u>	<u>Tuition</u>
SUI	26,806	27,804	998	\$1,990,000
ISU	24,982	25,250	268	950,000
UNI	<u>12,950</u>	<u>13,163</u>	<u>213</u>	<u>450,000</u>
<b>TOTAL</b>	<b>64,738</b>	<b>66,217</b>	<b>1,479</b>	<b>\$3,390,000</b>

The increased revenues from tuition and fees will be dedicated to supporting instructional programs and critical building repairs.

The Board Office recommended supplemental appropriation requests in fiscal year 1992 of \$2.0 million. These funds will be used to fund health insurance increases.

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

(000's Omitted)

<b>University of Iowa</b>	
Undergraduate Support	\$1,889
College of Medicine Support	446
Minority Recruitment	180
Utility Support	423
Inflation	1,319
Financial Management	<u>200</u>
Subtotal	<u>\$4,457</u>
<b>Iowa State University</b>	
Opening New Buildings	\$ 310
Appropriation Restoration	4,747
<b>Iowa State Agriculture Experiment Station</b>	
Appropriation Restoration	\$ 719
<b>Iowa State Cooperative Extension Service</b>	
Appropriation Restoration	<u>\$ 556</u>
<b>Iowa State University Subtotal</b>	<b>\$6,332</b>

University of Northern Iowa	
Annualization	\$ 475
Unemployment Benefit Costs	110
Appropriation Restoration	<u>1,982</u>
Subtotal	\$2,567
TOTAL	\$ 13,356

Mr. Richey stated that the supplemental budgets and revised budgets presented for the Board's adoption reflected the estimates of enrollment and contained minor adjustments in other income for the current fiscal year.

Regent Fitzgibbon asked for clarification of the statement that the budgets needed revised to account for increased tuition for fiscal year 1992.

Mr. Richey said the universities now have a more refined estimate for this fiscal year as they see enrollments at this point. The budgets being presented adjust to those new conditions and recognize the income from those students.

Regent Williams said she thought that part of the increased tuition income went toward student aid. She did not see additional money allocated to student aid at the University of Iowa. Vice President Phillips responded that there is a lag because the student aid funds for this year have already been allocated. The additional funds received this year will be allocated to next fiscal year's student aid program.

Regent Berenstein said he would like to see the "pie" with the current numbers on it. That is a very telling factor. He asked that when staff redo the numbers they also redo the pie.

**MOTION:**

Regent Furgerson moved to (1) approve the University of Iowa budget revision increasing tuition revenue and expenditures for fiscal year 1992 by \$1.99 million, as presented; (2) approve Iowa State University's budget revision for fiscal year 1992 increasing tuition revenue by \$950,000, indirect cost recoveries by \$300,000 and expenditures by \$1.25 million, as presented; (3) approve the University of Northern Iowa budget ceiling adjustment increasing tuition revenue and expenditures by \$450,000, as presented; and, (4) approve the operating budget supplemental appropriation requests for fiscal year 1992, as presented. Regent Berenstein seconded the motion, and it carried unanimously.

**FISCAL YEAR 1993 AND 1994 OPERATING BUDGET REQUESTS. (a) Operating Budgets.** The Board Office recommended the Board approve the appropriation request for operating budgets of \$500.4 million for fiscal year 1993 and \$529.4 million in fiscal year 1994, as presented.

The operating budget requests for fiscal year 1993 and fiscal year 1994 focus on the State appropriations portion of the budgets.

Approved strategic plans and Board goals are the driving force in the budget requests submitted by the institutions and the recommendations made by the Board Office. The main emphases of the recommended budgets for fiscal years 1993 and 1994 include:

- \* Major improvement of undergraduate education
- \* Increased emphasis on applied research through technology transfer programs
- \* Improving facilities, equipment and operating budgets basic to strong programs of teaching and research
- \* Expansion of minority recruitment programs to encourage minority participation in higher education
- \* Improving access of graduate students to Regent universities
- \* Improving the flexibility, efficiency and accountability of Regent institutions.

The Board Office recommended an appropriation request of \$500.4 million, a 9.2 percent increase over fiscal year 1992. In fiscal year 1994 the appropriation request is \$529.4 million, an increase of \$29.0 million, or 5.8 percent over fiscal year 1993 recommendations.

At the Board's suggestion, the Board Office recommendation included substantial funding increases for agricultural research and technology transfer at Iowa State University; increased funding for undergraduate education and deferred maintenance at the University of Iowa; and additional funds for enrollment growth, strengthening teacher education, and the math education partnership program at University of Northern Iowa.

The recommendation leaves unfunded \$23.1 million in fiscal year 1993 and \$31.0 million in fiscal year 1994 of the institutional requests.

In response to Regent Dorr's request, the Regent universities provided faculty workload and productivity indicators at the Board meeting.

Mr. Richey said the recommended budget for fiscal year 1993 reflected the Board discussion of August 29 and included some corrections and adjustments including technology transfer. The technology transfer funds includes the full amount for the Institute for Physical Research and Technology at Iowa State University, as the Board requested. It includes the University of Iowa's proposal for technology transfer and the technology transfer program for University of Northern Iowa. It also includes the total \$3 million for enrollment growth for University of Northern Iowa. With this request there will be an unfunded liability of approximately \$2 million. Staff also focused \$510,000 for minority recruitment and to address the issue of access to higher education. The Board Office recalculated the building renewal formula which raised the request \$1.7 million and included price inflation at 5 percent. Agricultural research was restored. He said one new item was \$500,000 for cooperative extension which includes rural economic development and urban youth programs.

Mr. Richey summarized by stating that an additional \$5 million was recommended for the University of Iowa, \$6.6 million additional for Iowa State University, \$3.207 million additional for University of Northern Iowa, \$57,000 additional for Iowa School for the Deaf, and \$11,000 additional for Iowa Braille and Sight Saving School for fiscal year 1993. He said this recommendation is based on the assumption that the State will recognize the needs of the Regent institutions.

Mr. Richey then reviewed the budget requests for fiscal year 1994.

Regent Hatch asked if what was presented was the State appropriations portion of the Regent budgets. Mr. Richey responded affirmatively.

Regent Hatch asked if the recommendation built into the total budget the proposed 9 percent tuition increase. Mr. Richey responded that it did not. Those are to be set aside and specifically earmarked.

Regent Berenstein said that unless the legislature cooperates these figures mean nothing. Mr. Richey said that was correct.

Regent Berenstein said this was a projection as to what could happen. Mr. Richey said it was a realistic assessment of need.

President Pomerantz said that what is adopted by the Regents will be presented to the Governor. The Governor will evaluate the requests and make his recommendation to the legislature. The legislature will deal with the Governor's recommendation and may do what he recommends or something different including any differences that may appear between the Governor's recommendation and the Board of Regents' request.

Regent Berenstein said these numbers are predicated on getting the money.

Regent Hatch asked if she was correct in remembering that this is one of the lower budget requests submitted by the Regents. Mr. Richey responded that this request was not low. He also noted that the request does not recognize the State's projected revenue growth of 4 percent to 5 percent. It recognizes the essential needs of the institutions.

Regent Hatch asked for the amount asked for last time. Mr. Richey said the amount requested last year was about the same.

Regent Dorr questioned how serious a request could be that excludes salary increases and does not include tuition increases. Mr. Richey said this is a serious statement of needs of the institutions in terms of projected growth. It obviously overstates the issue in terms of the State's present economic circumstances and the potential for resources. Those are the possibilities that this request addresses.

Regent Berenstein referred to exhibit 1 of G.D. 12(a) entitled "Incorporates Tuition Revenue Adjustment Revised Final Fiscal Year 1992 Budget" and said it was the best summary they had. It is important that they all look at the same numbers so they know what they are approving. Mr. Richey said that table was of the institutional requests.

Regent Berenstein asked if they could receive the same table that includes the Board Office recommendation. Mr. Richey responded that would be provided. He noted that page 3 of the Board Office memorandum showed the appropriation recommendations but he added that staff would provide a table that included all the information.

Regent Berenstein asked that the table be sent out to the Regents at the same time they are sent the "pie".

**MOTION:** Regent Berenstein moved to approve the appropriation request for operating budgets of \$500.4 million for fiscal year 1993 and \$529.4 million in fiscal year 1994 as presented. Regent Williams seconded the motion, and it carried unanimously.

**(b) Special Purpose Appropriations.** The Board Office recommended the Board approve the appropriations requests for special purpose appropriations for fiscal year 1993 of \$4,109,000 and for fiscal year 1994 of \$4,283,000, and approve the appropriation request for the graduate centers and resource center of \$262,000 for fiscal year 1993.

The following special purpose appropriations for fiscal year 1993 and fiscal year 1994 were requested by the institutions and recommended by the Board Office:

Fiscal Year 1993

	<u>Institutional Request</u>	<u>Board Office Recommendation</u>
University of Iowa	\$2,247,902	\$ 823,000
Iowa State University	3,602,836	2,876,000
University of Northern Iowa	<u>410,000</u>	<u>410,000</u>
TOTAL	\$6,260,738	\$4,109,000

Fiscal Year 1994

University of Iowa	\$2,435,817	\$ 848,000
Iowa State University	3,901,336	3,004,000
University of Northern Iowa	<u>450,000</u>	<u>431,000</u>
TOTAL	\$6,787,153	\$4,283,000

The following appropriations were requested by the graduate centers in Davenport and Sioux City and the resource center in southwest Iowa, and recommended by the Board Office.

	<u>Institutional Request</u>	<u>Board Office Recommendation</u>
Quad Cities Graduate Center	\$ 170,000	\$ 152,000
Tri-State Graduate Center	94,000	72,000
Southwest Iowa Resource Center	<u>87,000</u>	<u>38,000</u>
TOTAL	\$ 351,000	\$ 262,000

Mr. Richey stated that in the materials sent out to Regents the Research Park and Technology Innovation Center funds were overlooked because the funding had been shifted to the Wallace Technology Foundation by the General Assembly. In order to get those funds back where they belong the Board Office recommended that funding be restored.

**MOTION:**

Regent Hatch moved to approve the appropriations requests for special purpose appropriations for fiscal year 1993 of \$4,109,000 and for fiscal year 1994 of \$4,283,000, and to approve the appropriation request for the graduate centers and resource center of \$262,000 for fiscal year 1993. Regent Furgerson seconded the motion, and it carried unanimously.

(c) Board Office Budget Request. The Board Office recommended the Board receive the report on the fiscal year 1992 Board Office budget and approve

requests of \$1,153,543 for fiscal year 1993 and \$1,164,141 for fiscal year 1994.

### Fiscal Year 1992

The total budget for fiscal year 1992 is unchanged from the budget approved by the Board at its August meeting. However, salaries are shown for the full year for the position of Director of Planning/Policy Analysis and the Assistant Director of Academic Affairs with the offsetting adjustment shown in salary savings. The estimated salary savings of \$54,657 will be handled by laying off the Assistant Director of Academic Affairs in late October and by maintaining the vacancy in the position of the Director of Planning and Policy Analysis for three months. It is expected that the position of Director of Planning and Policy Analysis will be filled in October following interviews of prospects between now and the end of September.

The layoff of the Assistant Director of Academic Affairs requires a transfer of the Research Analyst from the business and finance unit to the academic affairs unit in order that the work in academic affairs can be maintained at an acceptable level. This loss of staff in the business and finance unit is expected to cause significant difficulties in handling the workload of that unit.

### Request for Fiscal Year 1992-94 Biennium

Budget requests for fiscal years 1993 and 1994 were unchanged from the submissions to the Board in August. The request for fiscal year 1993 is for an increase of \$57,857 or 5.3 percent. These funds would be used to provide a 5 percent adjustment for price inflation of non-salary items and would allow restoration of the Assistant Director of Academic Affairs as a full-year position. Without this restoration, the work of the business and finance and the academic affairs units will be significantly hampered and efforts will be needed to reduce the workload to a level that could be handled without diminution of quality.

The budget request for fiscal year 1994 of \$1,164,141 represents an increase of \$10,598 or 1.0 percent. This requested increase is for further adjustment in the non-salaried budget categories for 5 percent price inflation.

Except for the adjustment for price inflation in the non-salaried categories in fiscal year 1993 and fiscal year 1994, the budgets are projected at the level of fiscal year 1992. The office has severe needs for automation as recommended by the Peat Marwick study four years ago. It is not anticipated that funds could be made available from State appropriations during the biennium and, therefore, funds were not requested.

Regent Hatch said she felt that the budget request for the Board Office was too modest. She is always amazed that the various universities ask for so

much and then the Board Office staff says they do not think they can get the funds so they recommend the Board not ask for the funds. They should be asking for the funds for automation of the Board Office. The Board is asking more and more from the people who work for Mr. Richey. It is not fair to sit back and say the Board Office is just going to take a 5 percent inflation increase because they do not think they can get any more.

Mr. Richey said it would be appropriate in the fiscal year 1994 budget request to address that issue. That would allow time to plan adequately and would put the issue far enough out for the State to have time to address it in terms of its priorities. He agreed that it is a real issue. Peat Marwick strongly recommended the Board Office needed to do quite a bit in this area.

Regent Hatch said the Board Office recommended a 1 percent increase in its budget request for fiscal year 1994. It just does not seem like they can run an office and expect the kind of service the Regents ask for on those kinds of monies.

Mr. Richey said that issue could be addressed a year hence so that the fiscal year 1994 budget request is presented to the legislative session that will act on it. The Board Office can have that developed at that time or the Board could ask staff to do it now and adjust the recommendation presently before the Board. Either way would probably end up with the same result.

Regent Williams stated that if the Board feels this way then it is up to the Regents to initiate the request. Mr. Richey is in a very difficult position. It is very hard for him to make the kind of requests the Board Office needs under the circumstances. The Regents know the needs of the Board Office and what their needs are in order to govern as they should.

President Pomerantz said they have a situation in totality of the State government today that is not very conducive to introducing that kind of a component this year. He thinks Mr. Richey's approach of making it a priority next year makes a lot of sense given the environment we are in. Mr. Richey is just being practical in recognizing the environment.

Regent Hatch asked if they could table the motion insofar as the fiscal year 1994 budget request is concerned, and simply approve the fiscal year 1993 budget request.

President Pomerantz asked if they have that option. Mr. Richey responded that they did not have that option in terms of the deadlines imposed by the Department of Management and the Legislative Fiscal Bureau. What they could do is present the budget requests as they were provided to the Regents at this meeting, and then come back to the Board in October with another look at fiscal year 1994 in view of this issue. They could then amend it if they so choose.

President Pomerantz asked that to be done.

**MOTION:** Regent Berenstein moved to receive the report on the fiscal year 1992 Board Office budget and approve requests of \$1,153,543 for fiscal year 1993 and \$1,164,141 for fiscal year 1994. Regent Fitzgibbon seconded the motion, and it carried unanimously.

**SALARY PRESENTATIONS BY FACULTY AND PROFESSIONAL AND SCIENTIFIC REPRESENTATIVES.**

Jack Fix, President of the University of Iowa Faculty Senate, reported on faculty morale and needs. In the past two weeks he has talked with many faculty members. The general impression almost without exception is that faculty are worried about the future and the ability to do their jobs. There is also concern about maintenance of buildings and general expense money that pays for everything from paper to dry ice. He said the double digit salary increases were paid for by cannibalizing some of the university's other resources. Then came the budget cuts, gubernatorial vetoes of budget items and lay offs of the last year. The university has experienced a reduction in the size of faculty, Professional and Scientific staff, and general services staff. There has been a net shrinkage in the size of teaching staff. The loss of support staff has also had a direct impact on faculty. The functions they are being forced to perform are not what they were hired to do, and they do not do it very well. The majority of the faculty seem to feel unappreciated and are losing confidence in the university.

Dave Forkenbrock said faculty appreciate what the Board of Regents has done for higher education in Iowa. He then addressed three general budgetary areas of faculty concern. The first was equipment. He said many external funding agencies are unwilling to purchase equipment. It is time for the universities to reinvest in research equipment. The second area of concern was for buildings. They appreciate the \$8 million bonding authority for deferred maintenance to make a start toward repairing buildings. That funding will cover approximately 20 percent of the most-needed improvements. The last area of concern addressed by Professor Forkenbrock and one which he said is probably the most important request, is in regard to salaries. The labor market for most skilled workers is national. There is intense competition for the best faculty. He expressed concern if they fail to aggressively maintain faculty salary competitiveness. He asked that the Regents increase salaries for fiscal year 1993 enough to send an unmistakable message to all.

Sue Dallam, President of the University of Iowa Staff Council, stated that the university employs 5,000 Professional and Scientific staff members. She listed some of the areas staff are involved in. She asked that as the Regents make budgetary decisions they consider the perception of support for Professional and Scientific staff. It is the consensus of the staff council

that the priority is for addressing salary compression. Sixty-five percent of the Professional and Scientific staff salaries fall in the bottom two quartiles, excluding nurses. She asked that the Regents examine salary increases in light of increased workloads. The single most important form of recognition is a salary increase.

Olivia Madison, President of the Iowa State University Faculty Senate, focused her remarks on faculty salaries and infrastructure. She said Iowa State University's strength is its faculty. They tend to rate their faculty against peer institutions. That does give an important indication of the erosion of faculty salaries. The greatest concern is for assistant professors' salaries. They are the most mobile of the faculty. There is a projected shortage of faculty in the next 10 to 15 years. Faculty salaries plays an important role in recruitment and retention. She then turned her remarks to infrastructure. She said it was obvious that the Board clearly understands the implications of accumulated deferred maintenance. If resources are not found to support infrastructure the university's teaching and research mission will be crippled. There are problems in terms of using technology in the laboratories and classrooms. Equipment is terribly out of date. They must address services and supplies budgets.

Kathy Jones, Chair of the Iowa State University Professional and Scientific Council, presented an update on the activities of Professional and Scientific staff. She said Professional and Scientific staff are not covered by collective bargaining. There are 190 different job classifications of staff. She provided several examples of staff positions. She said the current fiscal year has presented significant challenges. Staff are helping to identify budget priorities for the future. A recently-implemented exit interview process has helped to identify the reasons Professional and Scientific staff are leaving. The minimum salary for a Professional and Scientific staff member with a bachelor's degree is \$19,000. Their salary request is for reasonable and equitable salaries.

Jan Hanish, University of Northern Iowa Professional and Scientific Council President, stated that there is a feeling of momentum at the University of Northern Iowa despite the potentially devastating budget cuts. In 1990 a study of the university's Professional and Scientific salary structure determined that salaries are 5 percent below their bench mark universities, and over 17 percent below those of the other Regent universities. Achieving salary parity with the other Regent universities is a long-standing objective of University of Northern Iowa's Professional and Scientific Council. She asked that the Board of Regents bring those salaries into parity.

Carolyn Dullard, President of the Iowa Braille and Sight Saving School Faculty Association, shared the salary proposal from the Faculty Association, as follows:

1. Base salary should be increased 5 percent. This will make the BA salary start at \$22,050 and end at \$27,480. The Master's degree salary will range from \$24,420 to \$36,135.
  2. Faculty would like to be allowed to resume normal step increases and to make a jump of two steps for 1992 to make up for the loss in 1991.
  3. Personal days should be extended to two each year with the ability to accumulate up to four.
  4. Currently staff with Association for Education and Rehabilitation of the Blind and Visually Impaired certification receive an extra stipend each year. Such a stipend should be granted to other faculty requiring a license to retain certification.
  5. The experience cap is now at ten years. They encouraged the Board to raise this cap so that the school will be a more attractive place for experienced teachers to apply.
  6. Faculty feel strongly that the summer school program should continue and that money be allocated specifically for this purpose.
  7. Money should be designated for inservicing for on- and off-campus inservices.
  8. Merit bonuses should be resumed and be retroactive for the performance evaluation conducted during the 1990-91 school year.
6. Bryce Kerr, Iowa School for the Deaf Faculty Senate President, presented the faculty proposal, as follows:
1. A 5 percent increase in salaries starting January 1992 (including the step increases).
  2. A 5 percent increase starting September 1992 for the 1992-93 school year.
  3. The merit plan needs to be reconsidered. As it seems to be disharmonious, they would like to see it eliminated. Any money left in this budget could be transferred to the 5 percent increase.
  4. There is a need to increase monies for CED certification to also follow the 5 percent figure.
  5. Maintain the current health insurance coverage with the State continuing to pay insurance costs at the lowest percentage rates for individual and family plans as possible.

6. A 5 percent increase in funding for extra-curricular programs that are an integral part of student life in a residential school.

**ACTION:** President Pomerantz stated the Board received the presentations by general consent.

**EXECUTIVE SESSION.** President Pomerantz requested the Board enter into closed session pursuant to the Code of Iowa Section 21.5(1)(i) upon the requests of employees whose performance is being considered; Section 20.17(3) to conduct a strategy meeting of a public employer for collective bargaining; and Section 21.5(1)(c) to discuss a matter with counsel which is either in litigation or where litigation is imminent.

**MOTION:** Regent Berenstein moved to enter into closed session. Regent Johnson seconded the motion, and upon the roll being called, the following voted:  
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hatch, Johnson, Pomerantz, Tyrrell, Williams.  
NAY: None.  
ABSENT: None.

The Board having voted by at least two-thirds majority resolved to meet in closed session beginning at 4:37 p.m. on Wednesday, September 25, 1991, recessed at 4:58 p.m. on that same date, reconvened at 7:35 a.m. on Thursday, September 26, 1991, and arose therefrom at 10:05 a.m. on that same date.

The following business was conducted on Thursday, September 26, 1991.

**REQUESTS FOR CAPITAL IMPROVEMENT AND TUITION REPLACEMENT APPROPRIATIONS.** The Board Office recommended the Board (1) approve the capital recommendation, including the priority listing, prepared by the Board Office totaling \$55,282,000 in fiscal year 1993 and \$80,041,000 in fiscal year 1994, and (2) approve the tuition replacement appropriation request of \$22,927,188 for fiscal year 1993 and \$24,198,512 for fiscal year 1994.

The Board Office recommendation was for a capital program of \$55,282,000 for fiscal year 1993 and \$80,041,000 in fiscal year 1994. The recommendation was unchanged as provided to the Board at the August 29 meeting with the exception of correcting two errors of omission on two utility projects at the University of Iowa. These projects were to be included in the August listing but were inadvertently omitted. These two projects are:

- West Campus Chilled Water Plant Expansion (\$2,100,000 for fiscal year 1993);

- Steam Distribution Infrastructure Rebuild (\$1,000,000 for fiscal year 1993).

The institutions and Board Office developed the capital program focusing on the Regentwide strategic planning goals and objectives. The proposed projects help to support these goals.

Projects included within the capital program support the utilization and transfer of technology. These projects include:

- Pharmacy Building Addition (University of Iowa);
- Recreation/Wellness Center (University of Northern Iowa);
- Intensive Livestock Research Facilities (Iowa State University);
- Livestock Units for Swine and Cattle Research (Iowa State University);
- Bio-Medical Research Facility (University of Iowa);
- Innovative Instruction and Research Building for Engineering (Iowa State University).

In developing the preliminary recommendations the Board Office received the institutions' general fund requests for \$202.8 million for capital improvements in fiscal years 1993 and 1994 as follows:

<u>Institutional Requests*</u> (000s Omitted)			
<u>Institution</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>TOTAL</u>
SUI	\$28,529.0	\$ 68,584.0	\$ 97,113.0
UIHC	345.0	365.0	710.0
ISU	34,300.0	34,300.0	68,600.0
UNI	20,320.0	14,825.0	35,145.0
ISD	725.0	330.0	1,055.0
IBSSS	<u>102.5</u>	<u>52.5</u>	<u>155.0</u>
	<b>\$84,321.5</b>	<b>\$118,465.5</b>	<b>\$202,778.0</b>

\* The institutional requests do not reflect the reinstating of the Library Addition at the University of Northern Iowa and the Pharmacy Building Addition at the University of Iowa.

The Board Office recommendation by institution was as follows:

Board Office Recommendation  
(000s Omitted)

<u>Institution</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>TOTAL</u>
University of Iowa	\$26,429	\$32,954	\$ 59,383
Iowa State University	16,560	30,840	\$ 47,400
University of Northern Iowa	11,818	16,017	\$ 27,835
Iowa School for the Deaf	475	230	\$ 705
Iowa Braille and Sight Saving School	0	0	\$ 0
<b>TOTAL</b>	<b>\$55,182</b>	<b>\$80,041</b>	<b>\$135,223</b>

Highlights of the Board Office fiscal year 1993 and fiscal year 1994 recommendation for the universities include:

(000's Omitted)

	<u>SUI</u>	<u>ISU</u>	<u>UNI</u>
Deferred Maintenance/Utilities	\$18,600	\$14,100	\$ 7,615
Pharmacy Bldg. Addition (Constr.)	\$10,120		
Library Addition (Construction)			\$ 6,620
Recreation/Wellness Center (New)			\$12,200
Livestock Research Facilities (New)		\$ 5,700	
Biology Building Renovation	\$12,663		
Livestock Units, Swine & Cattle Research		\$ 6,600	

Tuition Replacement

Tuition replacement appropriations represent 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 in July by the Board's financial advisor, Springsted, Inc. The new projections presented below are based upon revised debt service schedules and revised estimates of investment earnings as prepared by the universities.

Projected tuition replacement needs for the next five years follow:

1992	\$18,997,635
1993	22,927,188
1994	24,198,512
1995	29,137,323
1996	32,144,477

The tuition replacement need projection for fiscal year 1993 represents a 20.7 percent increase over the current fiscal year 1992. The increase in fiscal year 1993 is due mainly to liabilities to the Internal Revenue Service for arbitrage rebate and lower investment earnings. Arbitrage rebate liabilities amount to \$1.1 million. This liability is a result of tax code changes implemented in 1986 applied to bonds issued between September 1986 and July 1, 1987.

The large increases in fiscal year 1995 and fiscal year 1996 are a result of retiring interim financing project notes. The retirement of project notes amounts to \$4,006,200 in fiscal year 1995 and \$7,293,200 in fiscal year 1996.

Principal outstanding for all Regent bonds and notes as of July 1, 1991, totaled \$474,279,640. It includes Academic Revenue Bonds, Dormitory System Bonds, self-supporting facility bonds, University of Iowa Hospitals and Clinics bonds and project notes.

Additional bonds and notes authorized but not issued as of July 1, 1991, amount to \$49,215,000.

Associate Director Hollins said this program was essentially unchanged from what was presented to the Board in August except for the addition of two utility projects at the University of Iowa. He added that the proposed two-year program follows the campus master plans and strategic plans.

Regent Hatch said she would like to move adoption of the capital recommendations to include in the 1993 priorities numbers 1 through 4. She stated that they are considering increasing tuition. Every time the Regents approve academic revenue bonds they have to go back to the legislature for tuition replacement funds. Priority number 5 in 1993 is for a wellness building at the University of Northern Iowa. A lot of building has been done. The Regents have some other priorities that might at some point be more important than adding more debt to their legislative askings. She asked to go on record as opposing priorities 5 through 12 at this point in time.

President Pomerantz stated that what was presented were previously-approved Regent priorities. He suggested they could take action on what would be Regent Hatch's motion then adopt another motion covering the remainder of the priorities.

Regent Berenstein asked if the money would be used in the priority order set out. President Pomerantz responded that whatever the Regents approve would be in the form of a recommendation to the Governor. The Governor creates his own priorities and recommends those to the legislature. The legislature can adopt the Governor's recommendation, change the Governor's recommendation or add to the Governor's recommendation. The Regents are advocates for the universities. He emphasized that they previously approved these priorities.

**MOTION:** Regent Hatch moved to approve the capital recommendation priorities 1 through 4 in fiscal year 1993. Regent Tyrrell seconded the motion, and it carried unanimously.

**MOTION:** Regent Williams moved to approve the remaining capital recommendation items 5 through 12 totaling \$55,282,000 in fiscal year 1993 and \$80,041,000 in fiscal year 1994, and (2) approve the tuition replacement appropriation request of \$22,927,188 for fiscal year 1993 and \$24,198,512 for fiscal year 1994. Regent Johnson seconded the motion, and it carried unanimously.

Regent Hatch said it would be her intent to approve the tuition replacement appropriations request and not vote against that. She is voting against continual bonding.

**VOTE ON THE MOTION:** The motion carried with Regent Hatch opposed.

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

The Board of Regents and the General Assembly 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 the peak year for consumption, fiscal year 1979. The University of Iowa has reduced consumption 17.7 percent, Iowa State University 25.3 percent, and the University of Northern Iowa 11.4 percent.

Regent institutions completed comprehensive engineering analyses which identified \$39 million (1989 dollars) in energy conservation measures, with \$8.9 million in annual savings for a simple payback of 4.4 years not including the cost of money.

At the University of Iowa, Phase I construction (\$3 million) of the two-phased West Campus Energy Conservation Improvement Program was 37 percent complete as of June 30, 1991; design has been completed for Phase II which has an

estimated construction cost of \$2.5 million. The Phase I improvements at the University of Iowa have resulted in energy savings greater than predicted in the university's energy audit.

The Fluidized Bed Boilers, the Oakdale Campus Waste Incinerator Heat Recovery project, and the North Campus Chilled Water Facility are complete at the University of Iowa which should help to reduce operating costs significantly through lower fuel costs, heat recovery methods, and more efficient energy distribution.

Iowa State University officials are studying the potential for imposing off-hour setback constraints on all facilities except those designated as activity centers or those having equipment and/or research that require full-time environmental control in an effort to reduce nighttime energy usage.

Iowa State University's two new fluidized bed boilers continue to be an effective tool for delivering energy resources in an energy efficient manner.

University of Northern Iowa officials report that energy conservation projects valued at \$41,607 were completed with another \$61,802 initiated during fiscal year 1991 in the general fund sector of the campus. The fluidized bed boiler at the University of Northern Iowa has been completed and is currently being tested; the university anticipates the boiler being on line soon.

The Iowa School for the Deaf has completed lighting modifications, replacement and repair of steam distribution facilities and installation of photocells for control of exterior lights as energy conservation measures for fiscal year 1991.

Iowa Braille and Sight Saving School officials report that all energy conservation measures identified in the 1989 energy audit having a simple payback of six years or less will be completed by the end of calendar year 1991.

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.

Regent Dorr expressed his concern regarding the requirement to purchase vehicles powered by alternative energy sources at a minimum of 5 percent to 10 percent of all vehicles purchased. President Pomerantz said it is a state law; therefore, it is mandated and they have no choice.

Regent Dorr said that requirement ties in with the whole issue of funding. The law is an extremely expensive proposition. It is a bad piece of legislation.

President Pomerantz stated that it was particularly appropriate for Regent Dorr to make that comment. It is the intent of the law to cause greater use of ethanol. The Regents will talk with their legislative representatives and see what can be done to deal with Regent Dorr's concerns.

**ACTION:** President Pomerantz stated the Board received the annual report on energy conservation by general consent.

**FIVE-YEAR CAPITAL PLAN.** The Board Office recommended the Board:

- (1) Approve the following Five-Year Building Program for fiscal year 1993 through fiscal year 1997.

University of Iowa	\$167,516,000
University of Iowa Hospitals and Clinics	74,535,000
Iowa State University	166,260,000
University of Northern Iowa	<u>72,370,000</u>
Total Universities	\$480,681,000
Iowa School for the Deaf	\$ 1,755,000
Iowa Braille and Sight Saving School	<u>311,000</u>
Total Special Schools	\$ 2,066,000
GRAND TOTAL	\$482,747,000 *****

- (2) Approve the priority listing of capital projects for fiscal years 1993 through 1997.

For many years the Board has been required by statute to submit a Ten-Year Building Program to the General Assembly at the convening of each regular annual session. During the 1991 legislative session Senate File 529 was passed which changed the Ten-Year Program to a Five-Year Program.

The Five-Year Capital Plan for the universities must be approved by the General Assembly as a part of any authorization of additional Academic Building Revenue Bonds. If bonding is not requested, the General Assembly need only receive it.

Currently, only the universities are required by law to submit annually to the General Assembly a Five-Year Building Program. The University of Iowa Hospitals and Clinics and the special schools have been included to outline the overall Board of Regents capital needs.

Legislation was passed during the 1989 session requiring all state agencies to submit Five-Year Capital Project Priority Plans to the Legislative Capital Projects Committee no later than July 1 of each year. Legislation was passed during the 1991 session extending the deadline to November 1.

Institutional officials have identified capital projects totaling \$542.2 million for the five-year period (including the additions to the Pharmacy Building at the University of Iowa and Library at the University of Northern Iowa). The Board Office reviewed the requests and made a recommendation for a Five-Year Building Program of \$482.7 million.

The recommended Board Office Five-Year Capital Program for the institutions of \$482.7 million is a 5.3 percent increase from the Five-Year Capital Program approved a year ago.

A preliminary Five-Year Capital Project Priority Plan was presented to the Board at the August Board meeting. The recommended general fund amounts by university are as follows:

University of Iowa	\$167,516,000
University of Iowa Hospitals and Clinics	710,000
Iowa State University	166,260,000
University of Northern Iowa	<u>72,370,000</u>
TOTAL	\$406,856,000

Total institutional requests and the Board Office recommendation are as follows:

Summary of Institution Requests and Board Office Recommendation

General Fund Only

Five-Year Building Program  
(000s omitted)

	<u>Requested</u>	<u>Recommended</u>		<u>Not Recommended</u>
New Construction	\$ 192,944*	\$ 172,344	89%	\$ 20,600
Remodeling	107,868	92,614	86%	15,254
Equipment	7,900	7,900	100%	0
Deferred Maintenance/ Utilities	134,704	115,604	86%	19,100
Fire/Environmental Safety	11,965	10,207	85%	1,758
Energy Conservation	8,595	8,595	100%	0
Campus Development	<u>4,418</u>	<u>1,658</u>	<u>38%</u>	<u>2,760</u>
TOTAL	\$ 468,394	\$ 408,022	87%	\$ 59,472

\* Includes additions to the Pharmacy Building at the University of Iowa and Library at the University of Northern Iowa.

The proposed Five-Year Capital Plan for the University of Iowa Hospitals and Clinics is \$74,535,000 which includes a Board Office recommendation of \$710,000 from the General Fund for University Hospital School improvements.

**MOTION:**

Regent Furgerson moved to approve the Five-Year Building Program for fiscal year 1993 through fiscal year 1997, as presented, and approve the priority listing of capital projects for fiscal years 1993 through 1997, as presented. Regent Williams seconded the motion.

Regent Hatch said the new construction part of the schedule was worrisome to her. She would not vote against the motion but hoped they were not binding themselves to the construction.

President Pomerantz stated that the way they deal with capitals has been a long-standing concern of many Regents. The best possible solution would be a component for annual capital investment every year. They should build in a base capital appropriation. They do not escape the need for capital projects. It is false to believe that by deferring capital they are escaping cost. However, they have not been successful in establishing that principle. It is the Regents' obligation to represent the institution, not to determine where the funds are coming from.

Regent Hatch said they need an annual appropriation for deferred maintenance. She is worried about the older buildings not being properly maintained.

President Pomerantz said they need appropriations for deferred maintenance and appropriations for new buildings. He suggested they not should not lighten the pressure on the legislature to do just that, which he said is sound fiscal policy.

Regent Hatch said the overriding need is for deferred maintenance.

Regent Williams referred to the list of 5-year capital projects and stated that deferred maintenance comes right after fire and environmental safety project. They need to keep pace.

President Pomerantz stated that during the last legislative session the Regents were very successful in receiving bonding money devoted to deferred maintenance.

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

**REPORT OF THE BANKING COMMITTEE.** The Board Office recommended the Board (1) receive reports on current Banking Committee items, (2) approve a resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$13,400,000 Academic Building Revenue Refunding Bonds, Series I.S.U. 1991, and (3) approve a resolution authorizing the Executive Director to fix the date or dates for the sale of \$1,345,000 Academic Building Revenue Project Notes, Series S.U.I. 1991.

Regent Fitzgibbon stated that during the Banking Committee meeting that morning, the members heard a presentation from University of Iowa and University of Iowa Hospitals and Clinics officials on financial management and the internal audit process. The Banking Committee members were very pleased. They also heard a report on the state audit for the Iowa School for the Deaf. He said the committee received annual and quarterly investment and cash management reports, and approved bonding resolutions and a revision to the investment guidelines.

**MOTION:** Regent Fitzgibbon moved to approve a resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$13,400,000 Academic Building Revenue Refunding Bonds, Series I.S.U. 1991. Regent Berenstein seconded the motion, and upon the roll being called, the following voted:  
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hatch, Johnson, Pomerantz, Tyrrell, Williams.

NAY: None.  
ABSENT: None.

**MOTION:** Regent Fitzgibbon moved to approve a resolution authorizing the Executive Director to fix the date or dates for the sale of \$1,345,000 Academic Building Revenue Project Notes, Series S.U.I. 1991. Regent Williams seconded the motion, and upon the roll being called, the following voted:  
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hatch, Johnson, Pomerantz, Tyrrell, Williams.  
NAY: None.  
ABSENT: None.

**MOTION:** Regent Fitzgibbon moved to amend the Board's investment guidelines to attain total income consisting of interest, dividends and realized capital gains of 5 percent after deductions of manager fees. Regent Hatch seconded the motion, and it carried unanimously.

**ACTION:** President Pomerantz stated the Board received the Banking Committee report by general consent.

**ANNUAL TARGETED SMALL BUSINESS REPORT.** The Board Office recommended that the Board receive the Targeted Small Business report and direct the institutions and the Board Office to take the suggested actions to improve participation in Regents purchasing as listed in the report.

Regent institutions spent \$10,639,637 with Iowa Targeted Small Businesses (TSB) during fiscal year 1991. This amount was 2.5 percent of total purchases (\$420,827,290) for the same period.

Regent awards to Targeted Small Businesses accounted for 31.6 percent of all state awards to these businesses for the reporting period.

Regent institutions awarded contracts to 94 Targeted Small Businesses of the 864 companies certified by the Department of Inspections and Appeals. Awards were made to 79 women-owned businesses and 15-minority owned businesses as follows:

	<u>Women-Owned Businesses</u>	<u>Minority Owned Businesses</u>	<u>Total</u>
Vendors & Suppliers	71	9	80
Construction Contractors	8	6	14
Total	79	15	94

The number of Targeted Small Business vendors and suppliers who can provide commodities which the Regent institutions need is very small.

The Regents Affirmative Action Officer visited twenty-nine (29) major construction contractors in Waterloo, Cedar Falls, Janesville, Des Moines, Ames, Iowa City and Cedar Rapids. Contractors were encouraged to increase subcontract awards to Targeted Small Businesses.

**ACTION:** President Pomerantz stated the Board, by general consent, received the Targeted Small Business report and directed the institutions and the Board Office to take the suggested actions to improve participation in Regents purchasing as listed in the report.

**FACULTY APPEAL.** The Board Office recommended that the Board deny the request of the faculty member for review of a final institutional decision.

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

The faculty member was appealing the decision of the institution to deny tenure and promotion.

The Board Office review of the documents submitted by the faculty member and the university relative to this matter concluded that the process and conclusion were consistent with the laws and regulations governing public employees and were substantially in compliance with policies and procedures of the Board and the university.

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

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

**BOARD OFFICE PERSONNEL TRANSACTIONS.** The Board Office recommended the Board approve the Register of Personnel Transactions which included the following:

Transfer: KRISTYN STUMPF, Secretary III, to the Department of Employment Services effective September 26, 1991.

**MOTION:** Regent Furgerson moved to approve the Register of Personnel Transactions, as presented. Regent Tyrrell seconded the motion, and it carried unanimously.

**NEXT MEETINGS SCHEDULE.** The Board Office recommended the Board approve the Next Meetings Schedule, as follows:

October 16-17, 1991	University of Northern Iowa	Cedar Falls
November 20-21	Iowa State University	Ames
December 18	Marriott	Des Moines
January 15-16, 1992	Telephonic	
February 19-20	University of Iowa	Iowa City
March 18-19	Iowa School for the Deaf	Council Bluffs
April 15-16	Iowa State University	Ames
May 20-21	University of Northern Iowa	Cedar Falls
June 17-18	University of Iowa	Iowa City
July 15-16	(To be determined)	Des Moines
September 16-17	Iowa State University	Ames
October 21-22	University of Northern Iowa	Cedar Falls
November 18-19	University of Iowa/Iowa Braille and Sight Saving School	Iowa City/ Vinton
December 16-17	Iowa State University	Ames

**ACTION:** This matter was approved by consent.

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

## STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, September 25, and Thursday, September 26, 1991.

### TOUR OF UNIVERSITY OF IOWA RESEARCH FACILITIES.

Derek Willard, Acting Vice President for Research, introduced Bruce Wheaton, Director of the Technology Innovation Center and the Oakdale Research Park.

Mr. Wheaton said there are 500 acres in the Oakdale campus. The Regents were visiting the Oakdale Research Park of which the Technology Innovation Center (the business incubator) is a component. They have received \$600,000 total from the State to maintain the activities of the Research Park. Nine companies have successfully graduated from the Technology Innovation Center. They have attracted non-state funds 20 times more than the historical operating budget. The incubator has created companies to move over to the Research Park. The building they were visiting today is privately owned through a partnership between the public and private sectors. The University of Iowa is not carrying any debt on the Oakdale Research Park although it is an integral part of the university's strategy for technology transfer. They have created their own client base. He then said that "when" they win the driving simulator project it will be housed at Oakdale.

Acting Vice President Willard stated that last summer the University of Iowa was named by the National Science Foundation as the strongest group in the country in terms of the core of the driving simulator. They recommended the University of Iowa be recommended as the site to receive the project funding. He said the U.S. Department of Transportation must decide whether to go ahead with this project and begin to let money. The university is trying to encourage that to happen through Iowa's federal delegation.

Jim Clifton, Interim Dean of the College of Medicine, said they were very pleased about the Research Park facility. There continues to be a very serious problem with lack of laboratory space at the College of Medicine. He noted that generation of research funds is critical.

Rex Montgomery said the College of Medicine is in dire need of research space. In medical research there is some of the quickest transfer of research into the care of patients. The Regents would see the technology transfer concept in this facility.

Regent Hatch asked how the College of Medicine researchers at the Research Park maintain their clinical responsibilities while performing research at the

Park. Associate Dean Montgomery said that if there is a clinical need to be at the hospital, researchers can be at the hospital within 10 minutes. Reports on patients are computerized and can be accessed at the Research Park. The researchers are clinicians who try to improve patient care through research. The researchers are from the Departments of Internal Medicine and Pediatrics.

Rich Smith said the researchers are housed in 30,000 gross square feet. The laboratories were designed for flexibility much like the Eckstein Building. They have just recruited a brilliant young man who has been in the field for 6 years. He was not there on this day because he was receiving an American Heart Association award. The young man had already submitted 5 research grant applications before he even arrived at the university. He then said the researchers get advice from 6 other transgenic laboratories. In order to be competitive in biomedical research the researchers have to have one of these facilities.

The Regents moved through the facility, viewing different laboratory spaces. Professor Smith stated that tissue culture goes on in nearly every research laboratory. Dr. Verilux's research looks at growth factors important for nerve development. He is specifically looking at factors present in the intestinal tract nerve growth factor for research in the area of Multiple Sclerosis and Alzheimer's Disease. Professor Smith stated that the vision of the building is not limited to College of Medicine research.

Leo Davis stated that the process for developing the Research Park began in 1985. At that time two promises were made: 1) they would use no appropriated funds and 2) it would be dedicated to advancing the academic intent of the university. They proceeded at an appropriately slow cautious rate. The Research Park board is made up of volunteers. He emphasized that no university money is being spent on the Research Park.

Mr. Wheaton said the building is owned by CPMI/CRE. Each pod is roughly 16,000 square feet. As the market requires, the train of pods can be extended. Two more can be built on this lot in 16,000 square foot increments. Their targeted rate of growth is one lot/year.

Director Gibson addressed the technical arrangements of the Research Park. It consists of 160 acres. Infrastructure has been developed for 80 acres. There has been no university money going to the Park. They have utilized creative financing such as RISE funds. An Iowa Department of Transportation/Department of Economic Development program built the roadway. The City of Coralville contributed \$500,000 and \$100,000 was received in gifts from several sources. He said the land is controlled by the Board of Regents.

Regent Hatch asked for the payback/square foot. Vice President Phillips responded that it was slightly in excess of 10 years.

Regent Hatch asked about the income. Vice President Phillips said income is received from grant and contract activity generated by the College of Medicine.

**RATIFICATION OF PERSONNEL TRANSACTIONS.** The Board Office recommended the Board ratify personnel transactions, as follows:

Register of Personnel Changes for June and July 1991 which included early retirement approvals.

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

**MASTER OF FINE ARTS IN FILM AND VIDEO PRODUCTION.** The Board Office recommended the Board refer the university's request to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation.

University of Iowa officials proposed a Master of Fine Arts degree in film and video production. The program is proposed to build on current strengths in this area.

**ACTION:** This matter was referred by consent.

**MASTER OF LAW DEGREE PROGRAMS IN INTERNATIONAL AND COMPARATIVE LAW.** The Board Office recommended the Board refer the proposed Master of Law Degree Programs in International and Comparative Law to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation.

University of Iowa officials proposed a Master of Law degree program in international and comparative law. This degree program would replace an existing four-year Juris Doctor (J.D.) degree certificate program in international and comparative law and the Master of Comparative Law degree program currently offered.

**ACTION:** This matter was referred by consent.

**NAME CHANGE - OFFICE OF HEALTH CENTER INFORMATION AND COMMUNICATION.** The Board Office recommended the Board approve the renaming of the Office of Health Center Information and Communications to the Office of Health Science Relations at the University of Iowa.

University officials recommended the Board approve renaming the Office of Health Center Information and Communication to the Office of Health Science Relations, a unit of University Relations. This renaming will identify better

the office's responsibilities, cause less confusion and require less explanation to individuals utilizing this office.

**ACTION:** This matter was approved by consent.

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

**PERMISSION TO PROCEED WITH PROJECT PLANNING**

University Hospitals and Clinics--Development of a Surgical Intensive Care Unit in the Pappajohn Pavilion

The University Hospitals Surgical Intensive Care Unit provides care for patients from throughout the State of Iowa and surrounding region who require intensive care following major surgical procedures or trauma. Over the past decade, the number of patients admitted to the Surgical Intensive Care Unit has increased substantially due to the increasing sophistication and complexity of surgical approaches to the treatment of disease, and the growth in programs such as neurosurgery and organ transplantation. In addition, the state's growth trend in the elderly population has resulted in an increasing number of older Iowans who require complex surgical interventions for a variety of conditions ranging from cardiothoracic and gastrointestinal procedures to comprehensive surgical excision of malignancies. These procedures often result in very critical postoperative period, especially if the patient is elderly or debilitated.

Fourteen percent of the approximately 11,000 patients who annually undergo surgical procedures in the University Hospitals Main Operating Room Suite are transferred to the Surgical Intensive Care Unit post-operatively. In addition, patients are transferred from the Emergency Treatment Center, many following transport by air and ground-based ambulances, and some are transferred from other nursing units throughout University Hospitals. The unit's average annual occupancy rate during fiscal year 1990 was 9.1 percent, compared with 64.5 percent during fiscal year 1980, the unit's first full year of operation in its present fifth floor Carver Pavilion location. The above averages do not accurately depict the current situation. Due to patient census fluctuations inherent in providing intensive care services, current actual daily demand for Surgical Intensive Care Unit beds now frequently exceeds the unit's 24 bed capacity. The congested conditions generated by the high patient census are worsened by the open design of the Surgical Intensive Care Unit which markedly compromises patient privacy, results in high noise levels which can be uncomfortable and disruptive to patients and staff, and heightens the risk for transmission of infection.

The very high occupancy also creates bottlenecks when additional patients are present for admission to the unit. The limited number of beds now frequently necessitates that critically ill patients be temporarily placed in other less

appropriate settings or that elective but urgent surgical cases be canceled or delayed until a Surgical Intensive Care Unit bed becomes available. A larger unit with additional beds is urgently needed to accommodate the increased critical care case load for enhanced privacy, noise abatement and infection control. The project is vital to the University Hospitals continued ability to provide the highest quality intensive care services for the most critically ill and injured of patients.

Accompanying the increase in Surgical Intensive Care Unit admissions has been the development and application of new therapeutic technologies such as the hyperbaric oxygen therapy chamber. These services have further reduced space available in the unit. In addition, the support areas available, including waiting and family consultation space currently shared with the adjacent Pediatric Intensive Care Unit, have become inadequate to meet family members' needs. Currently, no dedicated facilities are available for such important aspects as conferences with the patient's family regarding the patient's condition and prognosis. Often these conferences are very private because extraordinarily difficult and sensitive choices must be discussed with family members. Beyond this, shortages of space preclude the opportunity to provide adequate facilities for vital support services such as Pharmacy and Respiratory Therapy. There are also significant inadequacies in equipment storage space, conference rooms, offices and on-call rooms for physicians, nurses and other staff required to be in close proximity to the Surgical Intensive Care Unit.

A major ingredient of this project is the opportunity to convert the present Surgical Intensive Care Unit into a Medical Intensive Care Unit. The current Medical Intensive Care Unit provides care for the adult critically ill patients at University Hospitals, exclusive of those patients cared for in the Cardiovascular Intensive Care Unit. The Medical Intensive Care Unit is located in the last remaining original open-bed ward in the 1926-vintage General Hospital. The unit is composed of eight beds on an open ward and four isolation beds located in an adjacent annex. The patient occupancy rate in the Medical Intensive Care Unit consistently exceeds health care standards for intensive care units of 80 percent. The Medical Intensive Care Unit occupancy rate for the past three years has ranged from 88 percent to 95 percent. Given the general trend over the past decade that a greater proportion of patients are admitted to University Hospitals with conditions requiring intensive care services, the present number of Medical Intensive Care Unit beds is inadequate. The 24 beds in the present Surgical Intensive Care Unit can be converted to meet this need.

Of even greater concern is the outmoded, non-conforming and spatially deficient 1926 facilities now housing the Medical Intensive Care Unit. This is currently the most deficient patient care unit of University Hospitals. Examples of these deficiencies include:

- \* design constraints that prevent direct observation of all patients from the nurse station as required by the Joint Commission on Accreditation of Healthcare Organizations;
- \* narrow corridor widths that do not meet life safety code requirements;
- \* inadequate medical equipment storage space resulting in equipment being stored in corridors and procedure and support rooms;
- \* limitations in space at the patient bedside causing an overflow of patient life support and monitoring equipment into adjacent patient stations;
- \* lack of walls between patient stations resulting in high noise levels and compromised patient privacy;
- \* an antiquated heating, ventilation and air conditioning system that does not conform to contemporary standards and cannot be zoned for control of individual patient stations;
- \* an extremely small family waiting room that does not meet the needs of family members for privacy or for consultation with physicians and other Medical Intensive Care Unit staff;
- \* lack of adequate staff offices and conference and teaching rooms.

These and other deficiencies make the conversion of the present Surgical Intensive Care Unit into a Medical Intensive Care Unit a high priority in the University Hospitals capital development and redevelopment plan.

To adequately meet the needs for medical and surgical intensive care services, University Hospitals officials proposed to finish approximately 26,000 gross square feet of shelled-in space on the fifth level of the John Pappajohn Pavilion for the Surgical Intensive Care Unit replacement facility. The unit will be developed with a total complement of 34 to 38 beds depending on the final functional program developed. It will also meet the facility needs of essential Surgical Intensive Care Unit patient care support services. In addition, the project will provide important support facilities, including faculty and staff offices, conference rooms, on-call rooms, and family waiting and consultation areas. The new Surgical Intensive Care Unit will create a highly efficient and desirable environment for the provision of state-of-the-art critical care services. Upon completion and relocation of patients to the new Surgical Intensive Care Unit, the present fifth floor Carver Pavilion Surgical Intensive Care Unit will be converted into a Medical Intensive Care Unit.

As indicated above, the volume of patients requiring intensive care services at University Hospitals exceeds the capacity of the present Surgical Intensive Care Unit and has become increasingly problematic for the present Medical

Intensive Care Unit. There are no other critical care units similarly able to care for these patients on a sustained basis. There is a critical need for additional space to meet the present and future demand for these services. Additional space to resolve these problems is not available in the units' present locations, nor in adjoining space.

Relocation of the Surgical Intensive Care Unit to new and expanded facilities on the fifth floor of the John Pappajohn Pavilion and relocation of the Medical Intensive Care Unit to fifth floor Carver Pavilion space vacated by the Surgical Intensive Care Unit is necessary to provide adequate space to accommodate the present volume of services and to allow University Hospitals to continue to function as the state's tertiary referral hospital for a wide variety of intensive surgical procedures and for its adult critically ill patients. There are no other alternatives that can meet these requirements as effectively or efficiently.

It is estimated that the construction cost of this project will be approximately \$4.7 million. Cost figures will be further developed and refined as project planning proceeds.

This project will be funded through University Hospital Building Usage Funds acquired from depreciation allowances of third parties underwriting the cost of care for paying patients. No state appropriated or bonding funds will be used.

Associate Director Staley discussed the university's request for permission to proceed with project planning for the new surgical intensive care unit. The statement indicated that the estimated cost is approximately \$4.7 million of which there will be no state appropriated dollars. The unit will be located on the fifth floor of the Pappajohn Pavilion. The surgical intensive care unit will consist of 34 to 38 beds and will be adjacent to the future operating rooms which are now under construction. The unit will also meet the needs for new medical intensive care units which is currently located in the last of the old open wards in the 1926 general hospital.

Dr. Peter Jepsen, Professor of Anesthesia and Medical Director of the Surgical Intensive Care Unit, elaborated on the needs and the difficulties that have arisen in the current surgical intensive care unit.

President Pomerantz asked how long the new space will be adequate. Dr. Jepsen responded that the new space would be adequate for 10 to 15 years if they end up with 34 beds.

Regent Tyrrell asked if some of the units will be modeled somewhat differently to facilitate needs other than for routine surgical intensive care such as for isolation, etc. Dr. Jepsen responded affirmatively and said they are trying to develop flexibility in the nursing area, also. They plan to make the dividing walls flexible.

Regent Berenstein asked for an explanation of the funding mechanism. Mr. Staley responded that University Hospitals receives depreciation allowances of third parties underwriting the cost of care for paying patients. Those dollars are put in a special building usage fund. Those dollars are then used to construct new facilities. There are no state appropriated funds being utilized for this project.

President Pomerantz congratulated University Hospital officials on a job well done.

#### West Campus Chilled Water Expansion

The West Campus Chilled Water Plant has a potential maximum installed capacity of 13,200 tons of chilled water. Presently, 9,600 tons are installed and are provided to the University Hospitals and Clinics and academic buildings, with approximately 50 percent going to each user group.

The completion of the Pappajohn Pavilion will place an additional demand of 1,600 tons on the plant. Additionally, other existing and planned academic buildings on the west campus will create demands on the West Campus Chilled Water Plant exceeding its capacity.

The utility plans have generally identified the chilled water needs of the west campus and the need to improve and extend steam and power supplies. Long-range utility plans are in the process of revision to include requirements for the Ten-Year Capital Program for the university including the Ten-Year Capital Program for the University Hospitals and Clinics. University officials proposed to perform a study which includes the new data and which is specifically directed toward the West Campus Chilled Water Plant to determine the following:

- \* the extent of expansion;
- \* the sequencing of expansion;
- \* the economics of equipment and power supplies based on life cycle costing;
- \* the adequacy of existing steam and power to serve the additional plant capacity.

Funding for this plant expansion was recommended by the Board Office for fiscal year 1992 as part of the Deferred Maintenance/Utilities category. The estimated cost for this expansion is \$2.1 million.

Board approval was requested to proceed with the study as outlined.

**PROJECT DESCRIPTIONS AND BUDGETS**

University officials submitted three new projects for approval by the Board. These projects were included in the university's quarterly report of anticipated capital projects.

University Hospitals and Clinics--Replace Building HVAC Controls \$381,818  
Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 305,000
Contingency	30,500
Architectural/Engineering Support	31,068
Planning and Supervision	<u>15,250</u>
<b>TOTAL</b>	<b>\$ 381,818</b>

This project includes upgrades and modifications to existing energy management systems to provide night set-back and discriminator control for heating, ventilation and air conditioning in Boyd Tower and General Hospital. The energy savings include the conservation of steam, electricity and chilled water from reduced operation.

Biology Building--Remodel Rooms 134, 135, 136 and 137 \$313,600  
Source of Funds: Income from Treasurer's Temporary Investments

Preliminary Budget

Design, Inspection and Administration	\$ 37,300
Construction	260,700
Contingencies	<u>15,600</u>
<b>TOTAL</b>	<b>\$ 313,600</b>

This project will provide for the remodeling of rooms 134, 135, 136 and 137 in the Biology Building. The remodeled space will consist of 2,500 square feet of updated laboratory facilities for three researchers. The work will include demolition of partitions, doors, casework, mechanical and electrical systems, and the installation of partitions, doors, storm windows, laboratory casework and finishes, and mechanical and electrical systems.

University Hospitals and Clinics--Modify and Upgrade Existing Energy Management System \$250,000  
Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 200,000
Contingency	20,000
Architectural/Engineering Support	20,000
Planning and Supervision	<u>10,000</u>
<b>TOTAL</b>	<b>\$ 250,000</b>

This project includes upgrades and modifications to existing energy management systems to provide night set-back and discriminator control for heating, ventilation and air conditioning in Carver Pavilion and Colloton Pavilion. The energy savings include the conservation of steam, electricity and chilled water from reduced operation.

\* \* \* \* \*

University officials presented revised budgets on the following projects.

Chemistry-Botany Building Remodeling--Phase II

Sept. 1988 Budget \$8,900,000  
Revised Budget \$9,065,000

Project Budget

	Budget Approved Sept. 1988	Revised Budget Sept. 1991
Design, Inspection and Administration	\$ 1,173,000	\$ 1,189,220
Construction	6,084,000	6,232,780
Reserve for Chiller Plant	1,110,000	1,110,000
Contingency	<u>533,000</u>	<u>533,000</u>
<b>TOTAL</b>	<b>\$ 8,900,000</b> -----	<b>\$ 9,065,000</b> -----
<b>Source of Funds:</b>		
72nd General Assembly Academic Building Revenue Bonds	\$ 8,550,000	\$ 8,550,000
Building Repairs or Income from Treasurer's Temporary Investments	<u>350,000</u>	<u>515,000</u>
<b>TOTAL</b>	<b>\$ 8,900,000</b> -----	<b>\$ 9,065,000</b> -----

University officials requested approval of a revised budget to provide funds to accommodate the removal of additional quantities of asbestos encountered on this project and to cover the cost assigned to this project for the sale of Academic Building Revenue Bonds.

Because the amount of asbestos encountered far exceeded the initial estimate, an additional \$84,213 was necessary to complete this process. Also, an additional \$16,220 was needed to cover the inspection and administration caused by the additional abatement and the time, scope and nature of this project.

The issuance of Academic Building Revenue Bonds in the amount of \$8,550,000 included an issuance cost of \$64,567. This cost was inadvertently omitted from the construction budget.

University Hospitals and Clinics--Redevelopment and Expansion of Patient, Visitor and Staff Dining Facilities

Source of Funds: University Hospitals Building Usage Funds

Original Budget \$1,702,460  
Revised Budget \$1,834,476

Project Budget

	<u>Original Budget Dec. 1988</u>	<u>Revised Budget Sept. 1991</u>
Construction	\$ 1,148,720	\$ 1,632,909
Contingency	141,870	81,645
Architectural/Engineering Support	70,935	70,935
Planning and Supervision	<u>70,935</u>	<u>48,987</u>
TOTAL	\$ 1,702,460 -----	\$ 1,834,476 -----

University officials requested approval of a revised budget to allow award of the construction contract. Three bids were received for this contract on July 11, 1991. All bids exceeded the engineering estimate of \$1,604,860 for the base bid plus Alternates 1 and 5. The low bid as submitted by McComas-Lacina Construction Company in the amount of \$1,632,909 for the base bid plus selected alternates, exceeded the engineering estimate by \$28,049, or 1.7 percent.

The three bids were within one percent of each other which indicates that the bids were accurate and competitive. The project architect reviewed the bids and recommended award to the low bidder. The architect does not believe the project can be redesigned to achieve significant cost reductions.

The preliminary project budget approved in December 1988 does not reflect the 6 percent construction inflation rate that has been experienced over this time period. This inflation rate accounts for approximately 80 percent of the discrepancy between the low base bid and the construction budget.

Stadium Drive Loop Improvements

Source of Funds: Institutional Roads Funds

Original Budget \$82,000  
Revised Budget \$86,465

Project Budget

	Original Budget July 1991	Revised Budget Sept. 1991
Design, Inspection and Administration	\$ 11,400	\$ 11,400
Construction	64,200	71,490
Contingency	<u>6,400</u>	<u>3,575</u>
 TOTAL	 \$ 82,000 -----	 \$ 86,465 -----

University officials requested approval of a revised budget in order to allow award of the construction contract. Two bids were received for this contract on August 22, 1991. The low bid in the amount of \$71,490 as submitted by Metro Pavers, Inc., exceeded the construction budget of \$64,200 by \$7,290 or approximately 11.4 percent. University officials requested approval of a revised project budget in order to increase the construction budget to \$7,290 to allow award of the contract to the low bidder, Metro Pavers, Inc., in the amount of \$71,490.

\* \* \* \* \*

University officials reported eight new projects with budgets of less than \$250,000 which were included in the university's quarterly report of anticipated capital projects. 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

Main Power Plant--Coal Silo No. 3 Repair/Reconstruction-- \$112,000  
Phase II  
Stanley Consultants, Inc., Muscatine, Iowa

University officials requested approval to extend the contract with Stanley Consultants from Phase I to continue as engineer on Phase II. Services will include the preparation of plans and specifications and on-site inspection for the replacement and restoration of the coal conveying system, coal diverter, vibrating outlet hopper, hoist ventilation system, coal crusher, electrical service, piping, crusher house roof repairs, silo roof and silo siding.

The engineering agreement provides for a fee of \$112,000.

University Hospitals and Clinics--Furnishings for the Clinical Cancer Center \$77,260  
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval of an architectural agreement with Hansen Lind Meyer for the design and development of multiple purchase order documents for interior furnishing. The agreement also involves review of existing and new equipment for deficiencies and defects prior to final acceptance. Hansen Lind Meyer will provide coordination between the furnishings prepared under this contract and the construction documents prepared under a separate contract for this project.

The agreement provides for a fee of \$77,260, including reimbursables.

University Hospitals and Clinics--Furnishings for the Operating Room Suite and Support Facilities Replacement Project \$56,400  
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval of an architectural agreement with Hansen Lind Meyer for the design and development of multiple purchase order documents for interior furnishing. The agreement also involves review of existing and new equipment for deficiencies and defects prior to final acceptance. Hansen Lind Meyer will provide coordination between the furnishings prepared under this contract and the construction documents prepared under a separate contract for this project.

The agreement provides for a fee of \$56,400, including reimbursables.

West Campus Chilled Water Plant Expansion \$52,400  
ZBA, Inc., Iowa City, Iowa

University officials requested approval of an agreement with ZBA, Inc., to conduct a study to identify the expanding chilled water needs of the west campus. The firm of ZBA, Inc., has performed work on the master utility plan and is knowledgeable of the utility needs of the west campus. The agreement provides for a fee of \$52,400, including reimbursables.

Water Plant Modification \$48,400  
Howard R. Green Company, Cedar Rapids, Iowa

University officials requested approval of an agreement with Howard R. Green Company to conduct the study. The company has specific knowledge of the existing University of Iowa and Iowa City Water and Waste Treatment Facilities. The agreement provides for a fee of \$48,400, including reimbursables.

University Hospitals and Clinics--Mechanical Energy Retrofit Project \$43,857  
Sega, Inc., Des Moines, Iowa

University officials requested approval of an agreement with Sega, Inc., for design services on this project. The agreement provides for a fee of \$43,857, including reimbursables.

University Hospitals and Clinics--Overhead Pedestrian Link--  
Pappa John Pavilion to Hospital Parking Ramp #2 \$41,615  
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval of an agreement with Hansen Lind Meyer to provide design services on this project. The agreement provides for a fee of \$41,615, including reimbursables.

University Hospitals and Clinics--Pneumatic Tube System Installation \$40,425  
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval of an agreement with Hansen Lind Meyer to provide design services on this project. The agreement provides for a fee of \$40,425, including reimbursables.

University Hospitals and Clinics--Pediatric Faculty Office  
Development \$36,800  
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval of an agreement with Hansen Lind Meyer to provide design services on this project. The agreement provides for a fee of \$36,800, including reimbursables.

University Hospitals and Clinics--Replace Building HVAC Controls \$34,640  
Sega, Inc., Des Moines, Iowa

University officials requested approval of an agreement with Sega, Inc., to provide design services on this project. The agreement provides for a fee of \$34,640, including reimbursables.

University Hospitals and Clinics--Department of Psychiatry Faculty Office \$25,407

Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval of an agreement with Hansen Lind Meyer for design services on this project. The agreement provides for a fee of \$25,407, including reimbursables.

University Hospitals and Clinics--Neurology Clinic Expansion and Renovation \$22,045

Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval of an agreement with Hansen Lind Meyer for design services for this project. The agreement provides for a fee of \$22,045, including reimbursables.

Medical Laboratories--Animal Care Remodeling \$17,000

Design Engineers, P.C., Cedar Rapids, Iowa

University officials requested approval of an agreement with Design Engineers for electrical design services. The agreement provides for a fee of \$17,000, including reimbursables.

Amendments:

Laser Laboratory Building \$82,000

Herbert Lewis Kruse Blunck, Des Moines, Iowa

University officials requested approval of Amendment No. 5 in the amount of \$82,000 to the agreement with Herbert Lewis Kruse Blunck. This amendment is for additional work for design development, preparation of construction and related documents for the procurement of the office system, reception desk and free-standing furnishings for the Laser Laboratory.

Amendment No. 5 will not result in an increase in the project budget.

The original contract with Herbert Lewis Kruse Blunck assumed that there would be a future amendment to cover design and selection of furnishings for the Laser Laboratory if Herbert Lewis Kruse Blunck were selected to provide those services. Providing for this amendment allowed the university to further define the exact funds available to apply to furnishings.

The services provided by Herbert Lewis Kruse Blunck under this amendment will be at the rate of 8 percent of the purchased furnishings budget. Some additional required services such as design of the electrical and telecommunications systems are added to the base 8 percent fee.

Original bids for the overall Laser Laboratory were taken in the summer of 1989. These bids were approximately \$4 million over the budget. The bids were subsequently rejected and the project was redesigned to reduce the scope. Bids on the revised design were taken in June 1990. The bids were substantially under the budget which permitted an increase in the furnishings allowance and establishment of a reserve fund.

Construction for the Laser Laboratory has proceeded on schedule since the re-bidding and is more than half completed at this time. Less than one percent of the contingency has been used to date.

Maclean Hall--Remodeling and Renewal \$6,100  
OPN Architects, Inc., Cedar Rapids, Iowa

University officials requested approval of Amendment No. 2 in the amount of \$6,100 to the agreement with OPN Architects. This amendment was needed to adjust the reimbursable expenses for the project due to additional printing of plans and specifications.

Change No. 2 will not result in an increase in the total project budget.

University Hospitals and Clinics--Psychiatric Replacement \$5,800  
Facility--Phase C  
Hansen Lind Meyer, Inc., Iowa City, Iowa

Library--Replace Roof--Asbestos Abatement \$1,000  
Shive-Hattery Engineers and Architects, Inc., Iowa City, Iowa

University Hospitals and Clinics--Redevelopment and Expansion of \$812  
Patient, Visitor and Staff Dining Facilities  
Marske-Schardein & Associates, Bettendorf, Iowa

#### CONSTRUCTION CONTRACTS

University Hospitals and Clinics--Redevelopment and Expansion \$1,632,909  
of Patient, Visitor and Staff Dining Facilities  
McComas-Lacina Construction Company, Inc., Iowa City, Iowa

Stadium Drive Loop Improvements \$71,490  
Metro Pavers, Inc., Iowa City, Iowa

College of Medicine Administration Wing--Site Work  
Reject All Bids

Two bids were received for this project on July 16, 1991. Both bids exceeded the engineering estimate of \$6,750 by at least 98 percent. The university was directed to reject all bids, revise the project scope and re-bid the project.

<u>Medical Laboratories--Neuropathology Laboratory Remodeling</u> Award to: O. F. Paulson Construction Company, Cedar Rapids, Iowa (3 bids received)	<u>\$713,000</u>
<u>University Hospitals and Clinics--Southeast Addition Chiller Replacement</u> Award to: AAA Mechanical Contractors, Inc., Iowa City, Iowa (3 bids received)	<u>\$658,600</u>
<u>University Hospitals and Clinics--Neurosurgery Clinic Relocation</u> Award to: Selzer-Werderitsch Construction Company, Inc., Iowa City, Iowa (4 bids received)	<u>\$368,570</u>
<u>University Hospitals and Clinics--Surgery Faculty Office Consolidation--Phase II</u> Award to: McComas-Lacina Construction Company, Inc., Iowa City, Iowa (4 bids received)	<u>\$302,165</u>
<u>Hospital Emergency Drive Realignment</u> Award to: Metro Pavers, Inc., Iowa City, Iowa (2 bids received)	<u>\$277,841</u>
<u>University Hospitals and Clinics--Additional Electrical Service for Surgical Operating Suite</u> Award to: Gerard Electric, Inc., Iowa City, Iowa (3 bids received)	<u>\$72,439</u>
<u>University Hospitals and Clinics--Replacement of General Hospital Electrical Bus Duct</u> Award to: Shaw Electric, Inc., Davenport, Iowa (5 bids received)	<u>\$38,200</u>
<u>Medical Laboratories--Neuropathology Laboratory Remodeling--Asbestos Abatement</u> Award to: Curry Environmental Services, Inc., Milan, IL (10 bids received)	<u>\$9,486</u>

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

North Campus Parking and Chilled Water Facility  
Ceramic Cooling Tower Company, Fort Worth, Texas

University Hospitals and Clinics--Oral Surgery Remodeling--Phase B  
McComas-Lacina Construction Company, Inc., Iowa City, Iowa

Hancher Auditorium--Steam Line Construction  
Hurst & Sons Contractors, Inc., Waterloo, Iowa

**MOTION:**

Regent Berenstein moved to approve the university's capital register, as presented. Regent Fitzgibbon seconded the motion, and it carried unanimously.

**LEASE OF PROPERTIES.** The Board Office recommended the Board approve leases, as follows:

- (1) a. With CHILL WIZZARD CORPORATION, for its use of approximately 264 square feet of office space in the Technology Innovation Center located on the Oakdale Campus for a one-year period commencing October 1, 1991, at a rate of \$132 per month;
- b. With OAKDALE SOFTWARE, for its use of approximately 319 square feet of office space in the Technology Innovation Center located on the Oakdale Campus for a six-month period beginning October 1, 1991, at a rate of \$159.50 per month;
- c. With ACCEL CATALYSIS, for its use of approximately 1,254 square feet of office space in the Oakdale Dental Research Facilities of the Technology Innovation Center (TIC) on the Oakdale Campus, for a one-year period beginning October 1, 1991, at a rate of \$916.83 per month.

**MOTION:**

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

AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hatch, Johnson, Pomerantz, Tyrrell, Williams.

NAY: None.

ABSENT: None.

**VENDORS WITH CONFLICT OF INTEREST.** The Board Office recommended the Board approve the request of the University of Iowa to add the names of George S. Khal, Barbara J. Khal, and Peter Feldstein to the standing list of approved vendors with a conflict of interest.

In May and July, University of Iowa officials requested and received Board authorization to contract with 11 companies or individuals who have an affiliation with the university. This month university officials requested that three names be added to the list of approved vendors with a conflict of interest.

Barbara J. Khal, spouse, and George S. Khal, a senior Systems Specialist at University Hospitals, wish to sell assistive listening devices produced by their company, Alternative Hearing Systems Inc., to the university. University officials reported that the products of Alternative Hearing Systems

Inc. are unique in price and availability and represent a considerable savings to the university. Two of the products are not manufactured or sold by any other company. Mr. Khal reported that in his capacity as a systems specialist, he will have no influence on the purchase of any hearing improvement devices by the university.

University officials also requested authorization to purchase a print by Peter Feldstein, Professor in Charge, Photography. The print was selected by the Art Purchase Committee for the Art in State Buildings Program. Professor Feldstein indicates that selection by the Committee in no way compromises or adversely affects his teaching or other obligations to the university.

The list of employees or their spouses who have a conflict of interest has been disseminated to Purchasing staff members. University of Iowa officials report that abuses of the rules are avoided by strict scrutiny of proposed purchases from vendors on this list. Purchases from university employees must be approved by either the Director or Associate Director of Purchasing and the Director of Planning and Administrative Services. Final approval is obtained from the Vice President of Finance and University Services.

Regent Hatch asked if these products are used inside the hospital for treatment of patients or sold by the hospital to patients to use on the outside. Vice President Phillips responded that the products are predominantly for classroom use. Director Gibson said it is a transmitter that is put on a faculty member.

Regent Hatch clarified that university officials were stating that the product was not marketed by the hospital to others and that it is instruction related. Vice President Phillips responded affirmatively.

**MOTION:**

Regent Berenstein moved to approve the request of the University of Iowa to add the names of George S. Khal, Barbara J. Khal, and Peter Feldstein to the standing list of approved vendors with a conflict of interest. Regent Furgerson seconded the motion, and upon the roll being called, the following voted:

AYE: Berenstein, Dorr, Fitzgibbon,  
Furgerson, Hatch, Johnson, Pomerantz,  
Tyrrell, Williams.

NAY: None.

ABSENT: None.

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 25, and Thursday, September 26, 1991.

**RATIFICATION OF PERSONNEL TRANSACTIONS.** The Board Office recommended that the Board ratify personnel transactions, as follows:

Register of Personnel Changes for June, July and August 1991 which included early and phased retirement approvals.

Provided for the Board's information were the appointments of:

WALLACE S. SANDERS, JR., half-time Interim Assistant Vice Provost for Research and Advanced Studies and half-time Professor of Civil Engineering, effective August 1, 1991, at an annual salary of \$97,377 which includes \$3,000 per year for additional administrative responsibilities;

FREDERICK BROWN, half-time Interim Assistant Provost and half-time Professor of Psychology, effective August 1, 1991, at an annual salary of \$66,469 which includes \$1,800 per year for additional administrative responsibilities; and

BARBARA M. MACK, Executive Assistant to the President, effective September 9, 1991, at an annual salary of \$75,000;

Approval of the promotion and tenure of BRUCE BASSLER from Assistant Professor to Associate Professor in the Department of Architecture effective August 21, 1991.

**MOTION:**

Regent Furgerson moved to ratify personnel transactions, as presented. Regent Tyrrell 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.

**APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS**

Sweeney Hall Addition and Renovation (Schematic Design)

University officials requested approval of the schematic design along with approval to proceed with design development, construction documents, and construction of the project.

The schematic design for the addition phase (Phase I) of this project was developed and approved by appropriate university personnel. The design for the addition was prepared by project architects Brown Healey Stone and Sauer, with input from the building program and members of the departmental user group. The design of minor renovations to the existing building will begin after construction has started on the new addition.

The overall Sweeney Hall project consists of two phases. Phase I is the construction of an addition to Sweeney Hall which will provide new research and teaching laboratory space for the Chemical Engineering Department with administrative support space. Some minor renovation of the existing north wing of Sweeney Hall is involved in this phase.

Phase II consists of the renovation of the south wing of Sweeney Hall to house a portion of the Material Science and Engineering Department. This work is not scheduled for construction documents until August 1992 and discussion was not included within the presentation by the project architect.

The new addition consisting of laboratory space and non-laboratory space has the following programmed square footage allotments:

Programmed Laboratory Space:	16,080 Net Assignable Square Feet 29,236 Gross Square Feet Net/Gross Ratio = 55 percent
Programmed Non-Laboratory Space:	4,410 Net Assignable Square Feet 7,350 Gross Square Feet Net/Gross Ratio = 60 percent

The design evolved from the simultaneous analysis of the program, the site, the budget, and the long-term or life cycle cost implications of the systems and materials to be utilized in the building. Continual involvement with the building users was maintained in order to satisfy the user's needs and reach their goals. The design of the addition consists of a central core of research laboratories surrounding a vertical mechanical canyon that provides necessary utilities to the labs. The canyon's ease of accessibility is readily adaptable to the evolving needs of a research facility. In addition to these central research laboratories, a two story teaching lab complex has been designed consisting of the pilot labs, teaching labs, analytical lab and control center. These spaces have interior windows to the south corridor for viewing by guest researchers and the public. This complex provides an environment that is extremely versatile and conducive to teaching.

The addition will be a three story structure and will maintain direct floor access on levels two and three of the existing facility. Level one will be recessed into the ground to provide a 14'8" floor-to-floor height at that level. The exterior design reflects the materials and lines of existing Sweeney Hall. The exterior walls of the addition will be masonry construction consisting of 8 inch concrete block, rigid insulation and face brick which will match the face brick of the existing Sweeney Hall in color and bond pattern. Windows for the addition will be gray-tinted insulating glass set in thermally-broken metal frames detailed to replicate the forms and color of the existing Sweeney windows. The addition will be constructed along the west side of the existing Sweeney Hall. This location will provide relatively little disruption of the existing facility and will provide the opportunity for the development of an entrance and exposure to a major street on campus. With regard to energy efficiency, the building will be designed to meet the Iowa Energy Code.

The total project cost is estimated at \$8 million, of which \$6.6 million is funded from the sale of Academic Building Revenue Bonds as authorized by the 73rd General Assembly, second session. Based on the schematic design, the construction costs are estimated at \$219 per net square foot, or \$132 per gross square foot.

The project architects gave a presentation on the design. A booklet describing the design process, objectives, and the schematic design was distributed to Board members as part of the docket material.

Approval was requested for the schematic design along with permission to proceed with design development, construction documents, and construction of the project. While the total is unchanged, the amount for design services is increased by \$17,150 and offset in the contingency.

Vice President Madden introduced Ed Sauer and Ted Healey, Brown Healey Stone & Sauer, P.C.

Mr. Sauer stated that Phase 1 of the Sweeney Hall project deals with the addition, only, which takes place on the western part of the Iowa State University campus. The architects looked at many schemes and a three-story scheme was selected. The same brick and window detailing will be used to respect the 1962 addition. They will meet the required energy standards. He said the gross square foot cost is \$132 for a 60.34 percent net to gross efficiency. They hope to bid the project in May of 1992 with occupancy in the fall of 1993.

Regent Tyrrell asked why the architects elected to abbreviate the third floor. Mr. Sauer responded that they did not have program space that called for it.

Regent Fitzgibbon referred to the grade between the existing building and the addition, and asked what that does and over what length of time. Mr. Sauer responded that it would be hardly noticeable. During the design process that was an issue they addressed at great length. There will be a 2.8 feet depressed floor for a higher floor-to-floor height.

President Pomerantz referred to the issue of project funding and asked if \$1.4 million was coming from the University Foundation. Vice President Madden responded affirmatively.

President Pomerantz asked why the project was partially privately financed. Vice President Madden said they could enhance the size by a combination of both public and private funds.

President Pomerantz asked if that was a way to get the building sold and built. Vice President Madden said that was a fair statement.

President Pomerantz stated that private money for academic buildings is a policy matter the Board should deal with. The premise is they should use public money to build academic buildings. As university officials approach future projects they should keep that in mind. The university is a public institution and the tax payers have a vested interest in it. They should not be too forthcoming with private money. If they find private money for historically state-funded buildings or programs then in the future it will be more and more easy for the State to not live up to its obligations.

Regent Fitzgibbon said it was also important to keep in mind that some people who buy into a project feel they have a certain amount of control over the project.

Regent Hatch asked if the roof is flat. Mr. Sauer said the roof will be pitched at 4 inches.

Regent Hatch asked when the plans are on the drawing board to renovate the 1920 portion of the building. Vice President Madden responded that the original plans focused on the possibility of removing that portion of the building at some time; however, the college may have other plans.

Regent Hatch asked why they are not shelling in the balance of the third floor of the addition. Vice President Madden said the budget is not large enough.

Regent Hatch asked if they had figured out what it would cost to shell that in at this time because it may be cheaper to finish it now.

President Pomerantz stated that in the engineering designs they have not accommodated a third floor so the structural steel, etc., is not sized for that. It cannot happen without inordinate costs. He said the question that Regent Hatch raised is a very good question. Would it be wise to take a look

at increasing the structure enough to accommodate a future area there? What is the cost of that as an alternative?

Mr. Sauer said they could have that estimated.

President Pomerantz suggested that would be a good idea. He guessed that it would not be that expensive, perhaps 10 percent of the structural steel cost.

Mr. Sauer said it would be a reinforced concrete structure.

President Pomerantz asked Mr. Sauer if he thought that 10 percent to 15 percent of the structural cost would cover that expense. Mr. Sauer said that would be his guess.

Regent Hatch asked what would be done with the 1962 building addition. Mr. Sauer responded that it would stay the same for the time being.

Vice President Madden said there were no immediate plans for that portion of the building. It will continue to be utilized. The program requirements identify program need which identifies a certain amount of space. University officials did not authorize the architects to over-design the project.

President Pomerantz said it was a good suggestion, though, and was probably something that ought to be placed as an alternate. They could determine the cost and if it makes sense they can look at it at that point. It will not hold up the project. He asked that they do that.

#### PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted one new project for approval by the Board. This project was included in the university's quarterly report of anticipated capital projects.

Utilities--Heating Plant--Turbine Generator #3 Overhaul \$300,000  
Source of Funds: Utility Repairs

#### Preliminary Budget

Contracts	\$ 245,000
Design Services	5,000
University Services	20,000
Project Reserve	<u>30,000</u>
<b>TOTAL</b>	<b>\$ 300,000</b>

University officials requested approval of a project description and budget for this project which includes parts and labor to perform an internal

inspection and major overhaul on the No. 3 Turbine Generator. The last major overhaul on the unit was completed in May 1986.

This unit is a 13 megawatt machine that was installed in 1978 and is due for a major overhaul based on hours and cycles of operation as mandated by the university's insurance carrier. This overhaul will permit continued and reliable operation of this unit.

\* \* \* \* \*

University officials presented an amended budget on the following project.

<u>Sweeney Hall Addition and Renovation</u>	Original Budget	<u>\$8,000,000</u>
	Amended Budget	<u>\$8,000,000</u>

Project Budget

	Original Budget <u>Oct. 1990</u>	Amended Budget <u>Sept. 1991</u>
Construction Contracts	\$ 5,275,014	\$ 5,275,014
Design Services	520,000	537,150
Construction Administration	150,500	150,500
University Services	50,000	50,000
Miscellaneous	20,000	20,000
Landscaping	30,000	30,000
Utility Extensions	204,000	204,000
Movable Equipment	1,000,000	1,000,000
Art Work	40,000	40,000
Building Automation	75,000	75,000
Telecommunications	95,000	95,000
Project Reserve	<u>540,486</u>	<u>523,336</u>
<b>TOTAL</b>	<b>\$ 8,000,000</b>	<b>\$ 8,000,000</b>

This project will provide new and renovated space for undergraduate instruction, graduate instruction and research for the Departments of Chemical Engineering and Material Science and Engineering located in Sweeney Hall. The amendment of the original budget is necessitated by actual costs for design services.

\* \* \* \* \*

University officials reported five new projects which were included in the university's quarterly report of anticipated capital projects. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

\* \* \* \* \*

CONSTRUCTION CONTRACTS

Dairy Industry--Addition and Renovation--Phase II, Part A \$541,900  
Award to: Woodruff-Evans Construction, Inc., Fort Dodge, Iowa  
(3 bids received)

Fire Safety Improvements--FY 1991--College of Veterinary Medicine \$37,880  
Award to: Midwest Automatic Fire Sprinkler Company, Des Moines, Iowa  
(2 bids received)

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

LeBaron Hall Addition--Center for Designing Foods to \$54,890  
Improve Nutrition  
Story Construction Company, Ames, Iowa

At the time this project was bid budget uncertainties dictated that the finishes specified for the building's corridors be of lesser quality than those normally specified in university facilities. Because of favorable bids, the project budget now allows the university to incorporate more durable and more easily maintained floor and wall surfaces in the primary and secondary corridors of the addition and in the corridors connecting the addition to the existing building. These more effective finishes will result in lower life cycle costs in these heavily trafficked areas of the building.

Story Construction Company, the prime contractor, proposed a cost of \$54,890 to add ceramic wall tile, terrazzo floor and acoustical ceiling to selected corridor areas. The proposal was reviewed in detail and found acceptable by the project architect and university staff. This change order will not require an increase to the project budget.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Applied Sciences Center--Auditorium  
Webster Construction Company, Fort Dodge, Iowa

Hilton Coliseum Improvements--Phase I  
Conco Construction Company, Ames, Iowa

Mechanical Engineering and Engineering Science and Mechanics Building--  
Alternate Electric Service  
Nikkel & Associates, Inc., Ames, Iowa

FINAL REPORTS

<u>Utilities--Heating Plant--Ash Conditioning</u>	<u>\$353,899.83</u>
<u>Willow/Larch Halls Elevator Upgrade and Modernization</u>	<u>\$316,783.19</u>
<u>The Durham Center</u>	<u>\$10,457,023.42</u>

MOTION: Regent Berenstein moved to approve the final register of Capital Improvement Business Transactions for Iowa State University. Regent Fitzgibbon seconded the motion, and it carried unanimously.

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

- (1) a. With APPLIED THERMODYNAMIC SYSTEMS for its use of approximately 82.5 square feet of office space in the ISIS Center at the ISU Research Park on a month-to-month basis beginning September 1, 1991, at a rate of \$199 per month;
  - b. With IOWA THIN FILM TECHNOLOGIES, INC., for its use of approximately 110 square feet of office space in the ISIS Center at the ISU Research Park for a one-year period beginning August 1, 1991, at a rate of \$135 per month;
  - c. With METABOLIC TECHNOLOGIES, INC., for its use of approximately 165 square feet of office space in the ISIS Center at the ISU Research Park for a six-month period beginning September 1, 1991, at a rate of \$200 per month;
  - d. With TELFAX COMMUNICATIONS for its use of approximately 624 square feet of office space in the ISIS Center at the ISU Research Park for a three-month period beginning July 1, 1991, at a rate of \$410 per month;
  - e. with UNIVERSITY SYSTEMS TECHNOLOGY, for its use of approximately 514 square feet of office space in the ISIS Center at the ISU Research Park for a six-month period beginning July 1, 1991, at a rate of \$425 per month;
  - f. With (DBA) KLOMAR TECHNOLOGY, for its use of approximately 110 square feet of office space in the ISIS Center at the ISU Research Park for a six-month period beginning September 1, 1991, at a rate of \$70 per month.
- (2) With RONALD GRUNIG for the university's use of approximately 5,000 square feet of office space located at 800 Oneida Street in Storm Lake, Iowa, at

a rate of \$2,416.67 per month for a three-year term beginning November 1, 1991;

- (3) With DAYTON ROAD DEVELOPMENT COMPANY for the university's use of approximately 2,401 square feet of office space located at the Chamberlynn Professional Building at 137 Lynn Avenue, Ames, Iowa, at a rate of \$2,536.62 per month for a one-year term beginning October 1, 1991;
- (4) With UNIVERSITY TOWERS FAMILY PARTNERSHIP for the university's use of 625 square feet of office space located at 111 Lynn Avenue, Ames, Iowa, for a one-year term beginning October 1, 1991, at a rate of \$625 per month;

**MOTION:**

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

AYE: Berenstein, Dorr, Fitzgibbon,  
Furgerson, Hatch, Johnson, Pomerantz,  
Tyrrell, Williams.

NAY: None.

ABSENT: None.

**CITY OF AMES/AQUATICS CENTER AND SOCCER COMPLEX.** The Board Office recommended the Board approve the following motion:

Granting an option to the City of Ames for the purchase of approximately 16.46 acres of undeveloped land located on the north side of Ontario Road bounded on the east by Minnesota Avenue, on the north by the right-of-way of the Chicago and Northwestern Transportation Company, and on the west by the University Heights addition, to be utilized for the development of the proposed family aquatics center and soccer complex, at an appraised price of \$11,000 per acre, effective November 1, 1991, for a 12 month period with either party having the right to cancel after January 1, 1992, with 30 days notice, subject to the approval of the Executive Council.

Iowa State University officials proposed to grant an option to the City of Ames for the city's purchase of 16.46 acres of undeveloped land pending approval by the State Executive Council. The City of Ames would like to construct an Aquatics Center/Soccer Complex on the site.

The purchase price of \$11,000 per acre is based on an appraisal from Hurst Appraisal Services (estimated total cost is \$181,060). A second appraisal by Mr. Robert E. Davis substantiated the land value.

The option would be effective November 1, 1991, for a 12-month period with either party having the right to cancel after January 1, 1992, with 30 days notice. The option to purchase would specify that such land could only be

utilized for the development of the proposed family aquatics center and soccer complex.

The land is currently used for normal agricultural production purposes and is not involved in specific research or academic projects.

The property was originally purchased in the early 1940s with monies other than State General Funds.

University officials consider the Aquatic Center/Soccer Complex to be a benefit to the university community and an enhancement to the entrance to the Applied Science Center.

Regent Fitzgibbon asked who Robert E. Davis is. Vice President Madden responded that he is an independent appraiser. He then noted that this option is effective for a 12-month period. It was determined to be more efficient to make it contingent upon a successful bond issuance. If the bonding is voted down, City officials will be reassessing the location of the project. The way this is written gives the City an opportunity to have a second location. Also, either party may terminate with 30 days notice which is a method for providing flexibility.

Regent Hatch asked how this land is farmed. Vice President Madden responded that it is farmed by the College of Agriculture.

President Pomerantz asked if the City has land for which the university could trade. Vice President Madden said that has been discussed. The City has offered to sell the university a particular parcel of land; however, it is in a flood plain area north of the Applied Science Center and is not very valuable. He said this sale probably serves the university's best interest.

**MOTION:**

Regent Berenstein moved to grant an option to the City of Ames for the purchase of approximately 16.46 acres of undeveloped land located on the north side of Ontario Road bounded on the east by Minnesota Avenue, on the north by the right-of-way of the Chicago and Northwestern Transportation Company, and on the west by the University Heights addition, to be utilized for the development of the proposed family aquatics center and soccer complex, at an appraised price of \$11,000 per acre, effective November 1, 1991, for a 12-month period with either party having the right to cancel after January 1, 1992, with 30 days notice, subject to the approval of the Executive Council. Regent Furgerson seconded the motion, and upon the

roll being called, the following voted:  
AYE: Berenstein, Dorr, Fitzgibbon,  
Furgerson, Hatch, Johnson, Pomerantz,  
Tyrrell, Williams.  
NAY: None.  
ABSENT: None.

**COMPUTATION CENTER REVENUE FUND SERIES I.S.U. 1986 SURPLUS FUND TRANSFER.** The Board Office recommended the Board approve the transfer of \$131,500 from the Computation Center Surplus Fund to the Facilities Planning and Management Construction Account.

In 1986 bonds were issued for the Computation Center at Iowa State University. Section 3.6 of the bond resolutions creates a surplus fund which shall receive funds available after all other required deposits have been made. The authorized uses of the surplus fund are to pay the costs of constructing, acquiring, maintaining and improving the Computation Center.

As of June 30, 1991, the surplus fund had a balance of approximately \$1.2 million. University officials requested \$131,500 of the surplus fund balance be transferred to the Facilities Planning and Management construction account. These funds will allow completion of the project in an orderly fashion while maintaining an appropriate balance in the surplus fund.

**MOTION:** Regent Berenstein moved to approve the transfer of \$131,500 from the Computation Center Surplus Fund to the Facilities Planning and Management Construction Account. Regent Tyrrell seconded the motion, and it carried unanimously.

**WOI-TV REPORT.** The Board Office recommended the Board adopt the recommendations of Iowa State University regarding WOI-TV as follows:

- (1) Receive the report evaluating the performance of the Iowa State University Broadcasting Corporation (WOI-TV) and the reassessment of the continued ownership of the television station by Iowa State University.
- (2) Consistent with Regent policies for the sale of assets, seek a second valuation of the station to verify its potential market value.
- (3) Direct the university, through Iowa State University Equities Corporation, to invite proposals for purchase of the station.
- (4) Direct the university, through ISU Equities Corporation, to establish a trust fund creating an endowment, the earnings of which would continue to support programs utilizing the station's resources including:

- a. Electronic media studies.
- b. Technology transfer and distant learning initiatives.
- c. Media resources.
- d. Biotechnology
- e. University strategic planning initiatives.

(5) Submit for the Regent's consideration by the February Board meeting the best proposal received.

In August, the Board of Regents requested a report from the administration of Iowa State University on WOI-TV with recommendations for its sale.

The report from Iowa State University addresses four major issues: (1) economics, (2) impact on academic programs, (3) privatization, and (4) community/constituent concerns.

Economics:

- \* In spite of improvements in earning there continues to be a significant concern about the financial performance of the television station.
- \* Cash flow has been less than projected by an outside consultant in 1986.
- \* A new consultant report concludes that although improved profitability has been achieved, the station's profit margin continues to be significantly below the average of network affiliate stations in similar markets.

Impact on Academic Programs:

- \* Educational activities, while scaled back somewhat, continue and interest in video broadcast possibilities is strong.
- \* Some proceeds from any sale of the station must be dedicated to replacing the academic support services currently provided by WOI-TV and to complete funding of previously-authorized biotechnology matching requirements.
- \* Other funds remaining from the sale would be endowed for technology transfer and distant learning and scholarships in electronic media studies to replace student employment opportunities lost by the sale of WOI-TV.

Privatization:

- \* Privatization is an issue of increasing public concern.

- \* University ownership of the station will likely continue to be questioned.
- \* It is increasingly difficult to find individuals with the necessary broadcast experience in Iowa that have no possible conflict of interest or who are willing to serve on a quasi-public board governing WOI-TV.

Community and Constituent Concerns:

- \* If the station is sold, the university attention now required to be focused on the station could be productively directed elsewhere.

President Jischke discussed the background concerning the university's recommendation on this matter. He concluded by stating that university officials were not recommending a sale but rather that bona fide offers be solicited.

President Pomerantz expressed concern about the comment President Jischke made about not recommending a sale. He was not sure they would receive bona fide offers if they were not prepared to sell. President Jischke clarified that if an offer is consistent with the valuations then the economics would argue for a sale.

President Pomerantz said they cannot go to market and say they are just testing the waters. President Jischke said that clearly an offer below the valuation would not make sense.

President Pomerantz said university officials were asking the Board to authorize a second valuation. If the second valuation compares with the first then the lower of the two valuations would be the guiding principle. He stated that if a bidder meets the standard the Board of Regents will sell the station. If the bid is too low the Board rejects the bid and the station stays.

The Regents discussed the use of the word "substantial" with regard to the second appraisal and agreed that if the second appraisal is less than the first appraisal, university officials will return to the Board.

**MOTION:**

Regent Fitzgibbon moved to adopt the recommendations of Iowa State University regarding WOI-TV as follows: (1) Receive the report evaluating the performance of the Iowa State University Broadcasting Corporation (WOI-TV) and the reassessment of the continued ownership of the television station by Iowa State University; (2) Consistent with Regent policies for the sale of assets, seek a second valuation of the station to verify its potential market value; (3) Direct the

IOWA STATE UNIVERSITY  
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university, through Iowa State University Equities Corporation, to invite proposals for purchase of the station; (4) Direct the university, through ISU Equities Corporation, to establish a trust fund creating an endowment, the earnings of which would continue to support programs utilizing the station's resources including: a. Electronic media studies; b. Technology transfer and distant learning initiatives; c. Media resources; d. Biotechnology; e. University strategic planning initiatives; and (5) Submit for the Regent's consideration by the February Board meeting the best proposal received. Regent Tyrrell seconded the motion, and it carried unanimously.

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

## UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, September 25, and Thursday, September 26, 1991.

**RATIFICATION OF PERSONNEL TRANSACTIONS.** The Board Office recommended the Board ratify personnel transactions, as follows:

Register of Personnel Changes for July and August 1991.

**MOTION:** Regent Furgerson moved to approve personnel transactions, as presented. Regent Tyrrell seconded the motion, and it carried unanimously.

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office recommended the Board approve the Register of Capital Improvement Business Transactions as submitted by the University of Northern Iowa.

**PERMISSION TO PROCEED WITH PROJECT PLANNING**

### Bartlett Hall--HVAC System and Windows

This project includes the upgrading of heating and ventilating systems, the addition of air conditioning, and the replacement of all windows with new energy efficient windows. This project is the result of a feasibility study conducted in 1990 by Stanley Consultants to review alternative HVAC systems and windows and determine estimated costs.

**APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS**

### Residence Facility

University officials requested approval of the schematic design as prepared by the project architects.

The proposed residence facility is consistent with the "student-centered" nature of the university. It will provide opportunities for independence in addition to continued support for individual development. The design focuses on the need for greater amounts of privacy as well as opportunities for continued social and intellectual interaction.

The residence hall will house 384 students in a modified apartment-type facility. Individual units are organized around shared group spaces. One-person, two-person, four-person and six-person units will be provided with each unit including living/study space, kitchens, bedrooms, and one to two baths.

A centrally-located commons building will support the residence hall complex, providing a lounge, recreation area, study rooms, meeting rooms, exercise spaces, a small convenience store, mail center, laundry facilities and staff apartment.

The site for the facility is located on the southeast section of campus. It is an undeveloped parcel directly to the northeast of the Hillside Courts and University Apartment residence facilities.

Utilities will be provided by the City of Cedar Falls, and adequate gas, electrical, water and sanitary sewer are immediately accessible.

The exterior facing will be predominantly masonry. Pitched metal roofs will be used allowing for economical insulation and minimizing long-term maintenance concerns. Both fixed and operable window units will be used. The facility will be air conditioned and will include wiring capability for computers, cable television, telephone, security and fire alarm connections. Individual unit heating and cooling units will permit efficient demand only use.

The total gross area will be 105,675 square feet with total net assignable square feet totaling 85,069, for a net-to-gross ratio of 80.5 percent.

The construction budget for the residence facility is \$5,380,173, with a square foot cost of \$55.48. The construction budget for the commons building is \$558,714 with a square foot cost of \$64.22.

A brochure explaining the schematic design was provided to the Board. Also, the project architects presented a review of the design and answered questions, as follows.

It is not expected that the building will change to any significant degree from the design presented. Subject to approval of the schematic design, university officials requested that the Board waive further design reviews of the building unless significant design changes become necessary, in which case they will request another opportunity to present the plans.

Morris Mikkelsen, University Architect, introduced Curt Blunck.

Mr. Blunck stated the project consists of four residence hall wings located around a courtyard. There will be a commons building accessible by all students. The units will consist of flats and lofts which will provide

diversity for the students within this project as well as two-, four and six-student units. The exterior was designed with concern for solid material. He noted that the units are air conditioned.

President Pomerantz asked for the kind of metal that will be used on the roof. Mr. Blunck answered that it was a standing seam painted steel roof. The metal roofs require less work regarding leaks and other maintenance. The project will be completed in Phase 1 with the ability to add on in the future. The project will consist of 105,000 gross square feet with 85,000 square feet being usable. There will be an 80 percent net to gross ratio. The total construction cost is \$62/square foot with the total project cost at \$79/square foot. They hope to let bids in March or April of 1992. Construction would begin in the first of April or May with occupancy taking place, at the latest, during the fall term of 1993.

President Pomerantz asked for further information concerning the roof and the skin. Mr. Blunck said the skin is brick of earth tone and tan colors. The metal roof is terra cotta.

President Pomerantz asked for the theory around the metal roof. Mr. Blunck responded that the metal roof minimized long-term maintenance.

President Pomerantz asked for the rationale of steel versus copper. Mr. Blunck responded that copper is approximately 25 percent more expensive.

President Pomerantz suggested that they look at alternatives where copper is included. Mr. Blunck stated that one of their next charges is to hire CPMI to thoroughly go through the costing element of the whole project.

President Pomerantz asked if there are any other buildings that have iodized metal roofs. Mr. Blunck said he knew of 20 metal roof projects coast to coast on university buildings. He noted that the University of Northern Iowa's fine arts building has a metal roof.

Regent Williams asked about the energy efficiency of the building, particularly in light of its unusual design. Mr. Blunck responded that the building has state-of-the-art double glazed windows. The gabled roof will allow for a lot of insulation and drainage.

President Pomerantz asked if there was a model of the building. Mr. Blunck responded that they only had the slides available at this time. They will now begin creating some larger scale models.

President Pomerantz asked when the Regents could see those larger models. Mr. Blunck said that at the next Regents meeting he could bring the one they are working on.

President Pomerantz said the design is unusual. He would like to see the model that shows more of the description of what the Regents would be able to expect. Mr. Blunck said he would be happy to bring back the model.

President Pomerantz said the footprint is unusual and the materials are unusual. He had not seen enough to adequately make a judgment. He said he did not want to hold up the project and asked what could be done to accommodate the schedule while addressing the Regents' concerns.

Mr. Richey noted that the next Regents meeting was only three weeks away.

Mr. Blunck referred to the project schedule and said the March 1 bid date was already optimistic.

President Pomerantz said he would rather be more comfortable about the decision than worry about being three weeks behind schedule.

Mr. Blunck suggested they could proceed with the schematic design and bring the design development back to the Regents next month.

President Pomerantz said he thought the building had a lot of great features. He was nervous about the roof and the materials.

Mr. Blunck said they would put the requested information together for presentation to the Regents next month.

President Curris clarified what was being requested. They will come back with a model as well as additional information regarding the roof and building materials.

Regent Fitzgibbon said he was interested in the material used for the skin itself.

#### Bartlett Hall--HVAC System and Windows

This project will replace the deteriorated, outdated and inefficient heating and ventilation system in Bartlett Hall and will add an air conditioning system which currently does not exist in the building. The original wood windows which have deteriorated will be replaced with new energy efficient windows.

In 1990 the university employed Stanley Consultants to conduct and prepare a feasibility study to upgrade the heating and ventilating systems, add air conditioning, and replace deteriorated windows with new energy efficient windows. The proposed improvements will be based on this feasibility study. The HVAC system, window design and construction work will be completed over a two-year period due to building occupancy.

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted three new projects for approval by the Board. The projects were included in the university's quarterly report of anticipated capital projects.

Center for Energy and Environmental Education \$3,976,800  
Source of Funds: Federal Grant

Preliminary Budget

Contract	\$3,150,000
Consultant and Design Services	325,000
Furnishings and Equipment	350,000
Art Work	19,900
Contingencies	<u>131,900</u>
 TOTAL	 \$3,976,800

This project will provide space for the collection, evaluation and development of materials in Environmental and Energy Education. The building will consist of state-of-the-art spaces to perform research as well as model classrooms and laboratories for pre-service and in-service training of teachers.

Maucker Union--Renovate University Hall \$285,000  
Source of Funds: Maucker Union Surplus Funds

Preliminary Budget

Contract	\$ 248,000
Consultant and Design Services	24,800
Art Work	1,425
Contingencies	<u>10,775</u>
 TOTAL	 \$ 285,000

This project will renovate University Hall into a large game room with seating areas and two conference rooms.

Wright Hall Equipment \$500,000  
Source of Funds: Academic Revenue Bonds, Series 1992

Preliminary Budget

Contract	\$ 450,000
Contingencies	<u>50,000</u>
 TOTAL	 \$ 500,000

This project will provide for the purchase of movable furnishings and equipment for Wright Hall. The furnishings will be specified and selected in-house and purchased by contract, purchase orders or state contracts.

\* \* \* \* \*

University officials presented amended budgets on the following projects.

Wright Hall Renovation \$2,700,000  
Source of Funds: 73rd General Assembly State Appropriations  
and Project Notes, Series 1991

Source of Funds

	<u>Original Budget</u>	<u>Amended Budget Sept. 1991*</u>
State Appropriations	\$ 2,700,000	\$ 900,000
Project Notes	<u>0</u>	<u>1,800,000</u>
TOTAL	\$ 2,700,000	\$ 2,700,000

\* Board Office estimates for breakdown of funds for each source as university did not provide this information

This project budget was amended to reflect the addition of project notes as a funding source due to the deappropriation of state funds for this project during the 1991 legislative session.

Library Addition \$7,000,000  
Source of Funds: 73rd General Assembly State Appropriations  
and Project Notes, Series 1991

Source of Funds

	<u>Original Budget</u>	<u>Amended Budget Sept. 1991*</u>
73rd General Assembly State Appropriation	\$ 7,000,000	\$ 14,300
Project Notes	0	380,000
Future State Appropriations or Bond Authorization	<u>0</u>	<u>6,605,700</u>
TOTAL	\$ 7,000,000	\$ 7,000,000

\* Board Office estimates for breakdown of funds for each source  
as university did not provide this information

This project budget was amended to reflect the addition of project notes and future State appropriations or bond authorization as funding sources due to the deappropriation of state funds for this project during the 1991 legislative session.

\* \* \* \* \*

University officials reported two new projects with budgets of less than \$250,000 which were included in the university's quarterly report of anticipated capital projects. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

\* \* \* \* \*

#### ARCHITECT/ENGINEER AGREEMENTS

Center for Energy and Environmental Education \$275,000  
Wells Woodburn O'Neil, Des Moines, Iowa

The university Architectural Selection Committee requested approval of the selection of Wells Woodburn O'Neil of Des Moines to provide architectural services. The agreement provides for a fee of \$275,000, including reimbursables.

Maucker Union--Renovate University Hall \$19,750  
Flinn, Saito, Andersen & DeVoe, Waterloo, Iowa

University officials requested approval of an architectural agreement with Flinn, Saito, Andersen & DeVoe, of Waterloo, Iowa, to provide design services for the renovation of University Hall. The agreement provides for a fee of \$19,750, including reimbursables.

#### Amendments:

Center for Applied Research Technologies in Metal Castings \$7,885  
Stanley Consultants, Muscatine, Iowa

Strayer-Wood Theatre--Fire Safety Improvements \$500  
Gene Gessner, Inc., Iowa City, Iowa

Wright Hall Renovation \$8,424  
Brooks, Borg and Skiles, Des Moines, Iowa

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Power Plant Replacement--Boiler--Contract 214--Emission  
Monitoring Equipment \$153,119  
Enviroplan, Inc., West Orange, New Jersey

Power Plant Replacement--Boiler--Contract 210--Ash Handling  
Equipment \$310,442.90  
Allen-Sherman-Hoff, Pittsburgh, Pennsylvania

**MOTION:** Regent Berenstein moved to approve the university's capital register, as presented, with the understanding that the university will return to the Board in October with a model of the New Residence Facility showing the building materials. Regent Fitzgibbon seconded the motion, and it carried unanimously.

**CONFLICT OF INTEREST VENDOR.** The Board Office recommended the Board approve the request of the University of Northern Iowa to add the name of Priscilla Meyermann to the standing list of approved vendors with a conflict of interest.

In May and July, University of Northern Iowa officials requested and received Board authorization to contract with 12 companies or individuals who have an affiliation with the university. This month university officials requested that Priscilla Meyermann be added to the list of employees authorized to contract with the university.

Ms. Meyermann, who operates a Targeted Small Business providing graphic services, wishes to provide design and production writing and editing services to the university. Her husband, Paul, is a Landscape Architect at the University of Northern Iowa. Ms. Meyermann states that her husband would not be involved in hiring or evaluation of her work.

The University of Northern Iowa Purchasing Department reports that all proposed purchases are carefully reviewed by the Purchasing Director including those from vendors who have a conflict of interest.

President Pomerantz asked if President Curris had reviewed this matter. President Curris responded that he had.

**MOTION:** Regent Williams moved to approve the request of the University of Northern Iowa to add the name of Priscilla Meyermann to the standing list of approved vendors with a conflict of interest. Regent Tyrrell seconded the

motion, and upon the roll being called, the following voted:

AYE: Berenstein, Dorr, Fitzgibbon,  
Furgerson, Hatch, Johnson, Pomerantz,  
Tyrrell, Williams.

NAY: None.

ABSENT: None.

**FARM LEASE.** The Board Office recommended the Board approve leases, as follows:

With CHARLES J. MURPHY for his use of 113.7 acres of crop land consisting of an 80.9 acre parcel described as the east one-half of the southeast one-quarter of Section 15 and the west 20 acres of the southwest one-quarter of Section 14, all in Township 89 North, Range 14 West, of the Fifth P.M., Black Hawk County, Iowa, and a 32.8 acre parcel described as the southwest quarter of Section 24, Township 89 North, Range 14 West, of the Fifth P.M., Black Hawk County, Iowa, for a three-year period beginning March 1, 1992, through February 28, 1995, for a cash rental rate of \$12,507 annually.

**MOTION:**

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

AYE: Berenstein, Dorr, Fitzgibbon,  
Furgerson, Hatch, Johnson, Pomerantz,  
Tyrrell, Williams.

NAY: None.

ABSENT: None.

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 25, and Thursday, September 26, 1991.

On behalf of the entire Board of Regents, President Pomerantz said happy birthday to Superintendent Johnson!

**RATIFICATION OF PERSONNEL TRANSACTIONS.** The Board Office recommended the Board ratify the following personnel transactions:

Register of Personnel Changes for July 1991.

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

**REQUEST FOR APPROVAL OF MIDWEST ATHLETIC ASSOCIATION OF THE DEAF LEASE.** The Board Office recommended the Board approve leases, as follows:

With the MIDWEST ATHLETIC ASSOCIATION OF THE DEAF, INC. (MAAD), for its use of Rooms 110, 111, 112 and 113 located on the first floor of the east wing of Giangreco Hall on the Iowa School for the Deaf campus, for a one-year period beginning September 1, 1991, in consideration of the Midwest Athletic Association's co-sponsoring of a summer wellness program/sports clinic at the school and providing discounted admission prices to Iowa School for the Deaf students at MAAD sports tournaments and activities.

**MOTION:** Regent Furgerson moved to approve leases, as presented. Regent Berenstein seconded the motion, and upon the roll being called, the following voted:  
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hatch, Johnson, Pomerantz, Tyrrell, Williams.  
NAY: None.  
ABSENT: None.

**REQUEST FOR APPROVAL OF CONTRACT OF SCHOOL PHYSICIAN.** The Board Office recommended the Board approve an agreement for professional services with Phillip W. Meyer, M.D., to provide medical services at a base fee of \$1,000 per month for a nine-month period beginning August 26, 1991, through May 30, 1992.

This agreement for professional services was reviewed by the Attorney General's Office and additional language was added in accordance with that review.

This agreement with Dr. Meyer provides for medical services for students at a base fee of \$1,000 for the 1991-1992 school year, a nine-month period, for a total of \$9,000. Dr. Meyer will provide on-campus visits Monday, Wednesday, Friday or as needed to examine students and on call medical consultation for students 24 hours a day, seven days per week. Any other services will be billed to the appropriate health insurance coverage agent of the students.

This contract represents the initial agreement with Dr. Meyer for these medical services at the Iowa School for the Deaf. Dr. James Knott, who has provided medical services for the school for several years, has now retired. Dr. Knott provided these services for \$1,065 per month.

**MOTION:**

Regent Williams moved to approve an agreement for professional services with Phillip W. Meyer, M.D., to provide medical services at a base fee of \$1,000 per month for a nine-month period beginning August 26, 1991, through May 30, 1992. Regent Johnson 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 25, and Thursday, September 26, 1991.

**RATIFICATION OF PERSONNEL TRANSACTIONS.** The Board Office recommended the Board ratify the school's personnel transactions, as follows:

Register of Personnel Changes for the period June 23 through August 31, 1991.

**MOTION:**

Regent Furgerson moved to ratify the school's personnel transactions, as presented. Regent Tyrrell seconded the motion, and it carried unanimously.

**ORAL REPORT ON THE EXCHANGE PROGRAM WITH BLIND STUDENTS FROM THE SOVIET UNION.** The Board Office recommended the Board receive the report.

Superintendent Thurman said Iowa Braille and Sight Saving School officials were very pleased with a recent visit of 10 blind students aged 14-years- to 18-years-old students at the end of August for 14 days. The trip was organized by the Iowa Peace Institute. School officials had very little background in what to expect the students to be able to do. They were very pleased to find students receiving such a remarkably classic education. They did notice some differences. The language barrier was tremendous. He said blind students in the Soviet Union are not taught the English language. It is assumed they will not need it. The only foreign language offered is German. A couple of Iowa Braille and Sight Saving School officials spoke high school German. A principal at the school speaks Russian. Superintendent Thurman also noted that the Soviet students are divided very much along visual lines. They cannot go to public school. They are separated distinctly between the blind and visually impaired. Their potential is much less than it is in the United States. Soviet students cannot attend college. The highest level of occupation continues to be massage therapy. Massage therapists are assigned to physicians and doctor's offices. He noted that the average education was very high. Students know their own history and literature and well as that of the United States'. Students complained about having to read Tolstoy in Braille. It is a monumental task. It has 28 volumes and is 180 pages long. The most popular event during their visit was the trip to Adventureland. In 20 years of working in this field Superintendent Thurman has never had an experience quite like riding the Dragon with 10 students screaming in another language.

Superintendent Thurman said this was a great opportunity for Iowa Braille and Sight Saving School students to meet students from another country. Iowa Braille and Sight Saving School students have been asked to go to the Soviet Union some time next year, probably during November or December. He then concluded by saying this was a very worthwhile experience.

Regent Berenstein asked if the people of Vinton were involved in this effort. Superintendent Thurman responded that the Soviet students stayed in homes in Vinton. Two students stayed with one host family. A couple of churches were also involved. Citizens with a farm outside of town invited the students for a barbecue and tour of the farm. The students were amazed that one farmer could own all that equipment and not be required to share it. He noted that another interesting insight into the students' environment was finding out that students are never to get closer than 5 feet near a teacher.

Regent Berenstein asked how visually impaired the students were. Superintendent Thurman responded that six of the students were from the school for the visually impaired. He said four probably would not be considered visually impaired in the United States. He added that utilizing a cane in the Soviet Union is a mark of dependence not independence.

**ACTION:** President Pomerantz stated the Board received the report by general consent.

**SERVICE CONTRACT RENEWALS WITH MS. KAREN RANDALL AND VIRGINIA GAY HOSPITAL FOR FISCAL YEAR 1992.** The Board Office recommended that the Board approve contracts for services as follows:

- (1) with KAREN RANDALL, OTR, to provide Occupational Therapy Services at a rate of \$37.00 per hour, not to exceed three hours per week; and
- (2) with VIRGINIA GAY HOSPITAL, Vinton, for Physical Therapy Services at a rate of \$37.00 per hour of service, not to exceed three hours per week.

Provision of these services is a partial fulfillment of federal and state regulations for school services for handicapped students.

These two service contracts were approved by the Board at the July 1991 meeting at lower hourly rates. Since that time the two service providers have exercised the termination clause and voided the agreements requesting the rates be increased.

The school investigated other sources for providing these services along with market rates for the services. The school concluded that market rates for the services are greater than those being requested and negotiated the hourly rate of \$37 with the providers.

With the renewal of the agreement with Ms. Randall, occupational therapy services will be provided at the school for the 1991-1992 academic year at an hourly rate of \$37.00, which is an increase of \$9.40 (34 percent) from the previous year's rate.

The agreement with Virginia Gay Hospital will provide physical therapy services to students for the 1991-1992 school year at a cost of \$37.00, an increase of \$9.40 (34 percent) from the previous year's rate.

The total estimated fiscal year 1992 cost for these services is \$4,329 each for occupational and physical therapy services.

These service contracts were reviewed by the Attorney General's Office prior to the July meeting. Additional language was added based on that review.

Regent Hatch asked if the Area Education Agency was unable to provide the school with a sufficient level of occupational therapy and physical therapy services. Superintendent Thurman responded that school officials checked with Grant Wood Area Education Agency and determined that Grant Wood hires the same people as the school and at the same cost. The only other place for the school to go is through the local hospital. The cost has gone up but that is a factor in the economy of the local hospital.

**MOTION:**

Regent Berenstein moved to approve contracts for services, as presented. Regent Furgerson seconded the motion, and it carried unanimously.

**MODEL CONTRACT FOR SERVICES.** The Board Office recommended the Board (1) approve the proposed Orientation and Mobility Service Agreement form between the Iowa Braille and Sight Saving School and Area Education Agencies and (2) authorize the Executive Director and the Superintendent of the Iowa Braille and Sight Saving School (or their designees) to sign the individual agreements.

Iowa Braille and Sight Saving School officials plan to provide outreach services by offering orientation and mobility instruction to public schools through contracts with Area Education Agencies. Orientation and mobility training enables visually impaired people to travel safely and independently.

Iowa Braille and Sight Saving School officials submitted an orientation and mobility service agreement form for approval of the format and conditions of the contracts, and for authorization for the Executive Director and the Superintendent of Iowa Braille and Sight Saving School to sign the individual agreements.

IOWA BRAILLE AND SIGHT SAVING SCHOOL  
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The services will be provided at the rate of \$27.50 per hour for the time spent within the assigned districts. The agreement form was reviewed by the Board Office and by the Office of the Attorney General and was recommended for approval.

**MOTION:**

Regent Berenstein moved to (1) approve the proposed Orientation and Mobility Service Agreement form between the Iowa Braille and Sight Saving School and Area Education Agencies and (2) authorize the Executive Director and the Superintendent of the Iowa Braille and Sight Saving School (or their designees) to sign the individual agreements. 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 Iowa Braille and Sight Saving School. There were none.

**ADJOURNMENT.** The meeting of the State Board of Regents adjourned at 11:42 a.m., on Thursday, September 26, 1991.

  
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R. Wayne Richey  
Executive Director