

The State Board of Regents met electronically on Thursday, January 15, 1998. The following were in attendance:

January 15

Members of State Board of Regents

Mr. Newlin, President	All sessions
Ms. Ahrens	All sessions
Mr. Arenson	All sessions
Mr. Fisher	All sessions
Dr. Kelly	All sessions
Mrs. Kennedy	Excused
Mr. Lande	All sessions
Mrs. Pellett	Excused
Mrs. Smith	All sessions

Office of the State Board of Regents

Executive Director Richey	All sessions
Deputy Executive Director Barak	All sessions
Director Houseworth	All sessions
Director Stadlman	All sessions
Associate Director Elliott	All sessions
Associate Director Racki	All sessions
Minutes Secretary Briggie	All sessions

State University of Iowa

President Coleman	All sessions
Provost Whitmore	All sessions
Vice President True	All sessions
Associate Provost Folkins	All sessions

Iowa State University

President Jischke	All sessions
Provost Kozak	All sessions
Vice President Hill	All sessions
Vice President Madden	All sessions
Executive Assistant to the President Dobbs	All sessions
Assistant to the President Mukerjea	All sessions
Director Bradley	All sessions
Director Glenn	All sessions
Director McCarroll	All sessions

University of Northern Iowa

President Koob	All sessions
Provost Marlin	All sessions
Vice President Conner	All sessions
Assistant to President Gadelmann	All sessions
Director Mixsell	All sessions

Iowa School for the Deaf

Superintendent Johnson	All sessions
Director Heuer	All sessions
Interpreter Cool	All sessions

Iowa Braille and Sight Saving School

Superintendent Thurman	All sessions
Director Hooley	All sessions
Director Utsinger	All session

GENERAL

The State Board of Regents held an electronic Board meeting on Thursday, January 15, 1998, commencing at 11:03 a.m., in accordance with Section 21.8 of the Code of Iowa. The meeting was not held in person because it was not practical to have the Regents assemble in one location for this brief meeting. Each Regent in attendance was at a separate remote location. Public access was provided at the following locations:

Board of Regents Office, Old Historical Building, E. 12th and Grand, Des Moines
University of Iowa, Old Public Library Conference Room, Iowa City
Iowa State University, 117 Beardshear Hall Conference Room, Ames
University of Northern Iowa, Gilchrist Hall Board Room, Cedar Falls
Iowa School for the Deaf, Superintendent's Office, Council Bluffs
Iowa Braille and Sight Saving School, Superintendent's Area, Vinton

The conference operator called the roll and the following members were present:

Owen Newlin
Lisa Ahrens
Jim Arenson
David Fisher
Clarkson Kelly
Roger Lande
Beverly Smith

President Newlin noted that Regents Ellengray Kennedy and Nancy Pellett were not in attendance.

The following business pertaining to general or miscellaneous business was transacted on Thursday, January 15, 1998.

APPROVAL OF MINUTES OF BOARD MEETING OF DECEMBER 18, 1997.

ACTION: President Newlin stated that approval of the minutes would be deferred until the February Board of Regents meeting.

CONSENT ITEMS. The Board Office recommended the Board approve the consent docket, as follows:

Ratify personnel transactions at the Regent institutions, as presented;

Receive the Board meetings schedule;

Refer Iowa State University's request to change the name of the Department of Professional Studies in Education to the Department of Educational Leadership and Policy Studies to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; and

Approve Iowa State University's 2001-2002 and 2002-2003 academic year and summer session calendars.

MOTION: Regent Fisher moved to approve the consent docket, as presented. Regent Arenson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

REPORT ON GOVERNOR'S BUDGET AND LEGISLATIVE ACTIVITIES. The Board Office recommended the Board receive an oral report on the Governor's FY 1999 budget recommendations and update on status of proposals in the Board's legislative program for the 1998 session.

The 1998 session of the Iowa legislature convened on January 12, 1998. The Governor addressed the legislature on January 13 outlining his FY 1999 budget recommendations. An oral report on the Governor's FY 1998 budget recommendations was made at this meeting.

At its December 1997 Board meeting, the Board gave final approval to proposals recommended for inclusion in the Board's legislative program for the 1998 session. Three of the areas included in the Board's program, the Regents three-year technology initiative, electronic commerce, and the indigent patient care program, have noteworthy happenings.

As noted in a press release on December 29, 1997, the Governor recommended numerous technology initiatives totaling \$31.3 million, which included the Board of Regents three-year technology initiative for \$10.1 million. Funding for the technology initiatives would come from FY 1998 reversions. The press release included the Governor's proposal for passage of legislation dealing with electronic commerce.

A report on the indigent care program, the provision of health care services to inmates, and potential application of telemedicine was submitted to the General Assembly on January 1, 1998, pursuant to the provisions of SF 549. The University of Iowa Hospitals and Clinics, the Iowa Department of Corrections, and the Association of Iowa Hospitals and Health Systems participated in the study. The recommendations of the report include support for the retention of the indigent care program as it currently exists at UIHC. The Association of Iowa Hospitals and Health Systems had initiated its own study of the indigent program last fall and will conclude the study in mid-January.

On January 13, 1998, Governor Branstad addressed the legislature outlining his FY 1999 budget recommendations. The recommended increases for the institutional budgets are as follows:

Salary Annualization	\$ 865,704
State Salary Policy	25,700,000
Operating Budget/Initiatives	3,033,233
Teacher Education: Education Excellence	<u>1,500,000</u>
Subtotal – Operating	\$ 31,098,937
Technology Initiative – First Year	<u>\$ 10,120,000</u>
Total Increase	<u>\$ 41,218,937</u>

The recommended increase of \$31.1 million in the operating budget is 5.1 percent. The increase includes the \$1.5 million to implement changes to the teacher education programs at the Regent universities in response to the recommendations of the Commission on Educational Excellence, but is exclusive of the Regents technology initiative.

The technology initiatives recommended by the Governor include \$10.1 million for the first year of the Regents three-year technology initiative. Funding for the technology initiatives would come from FY 1998 reversions.

The Governor recommended \$335,000 for FY 1999 for capital improvement projects for the special schools, which was the same amount requested by the Board. The Governor's recommendation for tuition replacement will fully fund the FY 1999 tuition replacement needs as re-estimated to reflect the sale of Iowa State University refunding bonds scheduled for the January 15, 1998, Board meeting.

Mr. Richey reviewed the information provided in the docket memoranda. He noted that funding for the technology initiatives would come from FY 1998 reversions by state agencies. The amount of funding recommended by the Governor was \$30 million although the reversions may not total that much. He discussed the Governor's budget recommendations for all educational agencies.

ACTION: President Newlin stated the Board received an oral report on the Governor's FY 1999 budget recommendations and update on status of proposals in the Board's legislative program for the 1998 session, by general consent.

FINAL APPROVAL OF FEES AND MISCELLANEOUS CHARGES. The Board Office recommended the Board (1) approve fees and miscellaneous charges for 1998-99 as presented; and (2) give preliminary approval to revise the administrative rules and submit a Notice of Intended Action regarding university application fees as follows:

- a) Increase the University of Iowa's application fees from \$20 to \$30 for domestic applications and from \$30 to \$50 for international student applications.
- b) Maintain Iowa State University's and the University of Northern Iowa's domestic application fees at \$20 and increase the international student application fees from \$30 to \$50.

In December 1997, the Board gave preliminary consideration to the proposed university fees and miscellaneous charges for the 1998-99 academic year. Following statutory notice to students and the 30-day waiting period, the schedule of fees and miscellaneous charges was presented for final approval. There were no changes in the schedule of fees and miscellaneous charges from those presented in December.

At the December 1997 meeting, the Board requested that the three Regent universities work with Board Office staff to determine appropriate changes in application fees. Application fees can only be modified through the administrative rule process. The current domestic application fee of \$20 has been used since FY 1988 and the \$30 international application fee has been used since FY 1989.

Three positions resulted from the discussions regarding university application fees. University of Iowa officials proposed increases for its domestic and international student application fees. While Iowa State University officials did not propose an increase to its domestic application fee, Iowa State University officials did not oppose the increase for the University of Iowa's domestic application fees or differential rates among the Regent universities. University of Northern Iowa officials were opposed to differential

application fees among the Regent universities, but did agree to the increase in the international student application fees.

The Board Office recommended initiating a change to the administrative rules to modify the domestic application fee from \$20 to \$30 for the University of Iowa and to increase the international student application fee from \$30 to \$50 for all three universities.

Mr. Richey reviewed the information provided in the docket memorandum.

Regent Arenson asked for President Koob's rationale for his position regarding application fees. President Koob said it was his understanding that the application fees had been uniform for some time. He was unclear whether or not the uniformity was due to policy or previous agreement. It was his view that application fees were largely a recruitment strategy issue. He said he could make a case for low fees or for high fees but not for intermediate fees or differential fees. University of Northern Iowa officials had a number of questions that were not resolved through the discussions that took place during the past month.

Regent Lande asked for President Koob's rationale for seeking uniformity in the fees. President Koob said he was unsure whether the universities can accurately reflect costs for applications. It depends on how paper is processed. The three institutions are all governed by the Board of Regents and he believed it was hard to justify why the fees would be different.

Mr. Richey stated that application fees have not been increased for 10 years. At the time the Board last adopted application fees there was some expression by Board members that there was a preference for uniform fees. There is no specific policy regarding uniformity although the application fees have been uniform for 10 years because there has not been an increase in the fees. University of Iowa officials believe the cost would be more adequately covered by increasing the charge as proposed. Iowa State University officials are satisfied with the current level but have no objection to increasing the fee. He said University of Northern Iowa officials feel there is a strong advantage in uniformity. He noted that the application fee is normally only paid once by a student.

Regent Lande stated that he would support an increase in the application fee recognizing that costs have changed in the last 10 years. He said he had no strong opinion as to whether the fees should be the same or different between the universities.

Regent Fisher said he agreed with Regent Lande.

Regent Arenson said he also agreed with Regent Lande and that he had no problem with differential fees. He then asked about the College of Nursing placement service fee, which he said appeared to be a new charge. He noted that the placement service fee was identical to that charged in the Colleges of Business Administration and Liberal Arts. He asked for further elaboration about the proposed fee for the College of Nursing.

Vice President Jones responded that the fee was for preparation of resumes and the holding of files. The college was in the process of setting up a system similar to that of the other colleges. He noted that the College of Liberal Arts placement service will serve any student at the university. Students can have a resume prepared and held in the system for potential interviews.

President Coleman stated that students who use the service pay a fee to the College of Liberal Arts. The College of Nursing was proposing to establish its own service, focusing efforts on placement.

Regent Arenson asked if the fee was mandatory. President Coleman responded that the fee was not mandatory. The fee was for those who want the service.

MOTION:

Regent Arenson moved to (1) approve fees and miscellaneous charges for 1998-99 as presented; and (2) give preliminary approval to revise the administrative rules and submit a Notice of Intended Action regarding university application fees as follows: a) Increase the University of Iowa's application fees from \$20 to \$30 for domestic applications and from \$30 to \$50 for international student applications. b) Maintain Iowa State University's and the University of Northern Iowa's domestic application fees at \$20 and increase the international student application fees from \$30 to \$50. Regent Fisher seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

LOSS OF LICENSE, REGISTRATION OR CERTIFICATE. The Board Office recommended that the Board approve the policy and its addition to the Board of Regents Procedural Guide, regarding the loss of license, registration or certificate required as a condition of employment for employees of Regent institutions.

A law has been passed that authorizes an employer to take action to terminate the services of an employee who has lost a license, registration or certificate required for

employment. This includes the loss of driving privileges for employees convicted of Operating While Intoxicated, or for failure to comply with court-ordered child support payments.

In selected situations it may be appropriate to base an employment action on an administrative determination.

It is normally not appropriate to allow employees whose license or registration is suspended or revoked to use accrued annual leave or leave without pay during the period of suspension or revocation.

The Regents, as employers, are obligated to support these public policy concerns in their employment practices, even though the result of the policy might have severe consequence on the employment of individuals.

The failure to maintain a valid drivers license or other certification for those positions where possession of a license or certificate is required may result in discharge because the qualifications necessary to perform the job functions are no longer met.

Mr. Richey reviewed the information provided in the docket memoranda. He noted that the Board of Regents would continue to have jurisdiction over all of its employees.

MOTION: Regent Arenson moved to approve the policy and its addition to the Board of Regents Procedural Guide, regarding the loss of license, registration or certificate required as a condition of employment for employees of Regent institutions. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

BOARD OFFICE PERSONNEL TRANSACTIONS. The Board Office recommended the Board approve personnel transactions, as presented.

Appointment: Steven Scott Randolph as Associate Director, Information Systems, at annual salary of \$60,000 plus the usual fringe benefits effective February 1, 1998.

ACTION: The personnel transactions were approved, by consent.

BOARD MEETINGS SCHEDULE. The Board Office recommended the Board approve the Board meetings schedule.

GENERAL
January 15, 1998

January 19-21, 1998	Board Retreat at Marriott Hotel	West Des Moines
February 18-19, 1998	University of Iowa	Iowa City
March 18-19, 1998	Iowa State University	Ames
April 14-15, 1998	Iowa School for the Deaf	Council Bluffs
May 20, 1998	Iowa Braille and Sight Saving School	Vinton
May 21, 1998	University of Northern Iowa	Cedar Falls
June 15-17, 1998	University of Iowa	Iowa City
July 15-16, 1998	Iowa State University	Ames
September 23-24, 1998	University of Iowa	Iowa City
October 21-22, 1998	University of Northern Iowa	Cedar Falls
November 18-19, 1998	Iowa State University	Ames
December 3, 1998	(To be determined)	Des Moines
January 20, 1999	Telephonic Conference Call	
February 17-18, 1999	University of Iowa	Iowa City
March 17-18, 1999	Iowa State University	Ames
April 21, 1999	Iowa Braille and Sight Saving School	Vinton
April 22, 1999	University of Northern Iowa	Cedar Falls
May 19-20, 1999	Iowa School for the Deaf	Council Bluffs
June 16-17, 1999	University of Iowa	Iowa City
July 14-15, 1999	Iowa State University	Ames
September 15-16, 1999	University of Northern Iowa	Cedar Falls
October 20-21, 1999	University of Iowa	Iowa City
November 17-18, 1999	Iowa State University	Ames
December 15-16, 1999	(To be determined)	Des Moines

ACTION: The Board meetings schedule was approved, by consent.

President Newlin then asked Board members and institutional officials if there were additional general or miscellaneous items for discussion.

Regent Fisher stated that the Regents had received a letter from Kenneth Lowder regarding TIAA-CREF. He asked that the Board's policy regarding TIAA-CREF cashability be reviewed at the February Regents meeting. Mr. Richey said the matter would be included on the February docket.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Thursday, January 15, 1998.

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

Register of Personnel Changes for November 1997.

ACTION: The personnel transactions were approved, as presented, by consent.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended that the Register of Capital Improvement Business Transactions for the University of Iowa be approved.

PROJECT DESCRIPTIONS AND BUDGETS

University Hospitals and Clinics—Expand Emergency Power \$328,000
Generation Capacity

Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 262,000
Architectural/Engineering Support	26,200
Planning and Supervision	13,600
Contingency	26,200
TOTAL	<u>\$ 328,000</u>

University officials requested approval of a project description and budget in the amount of \$328,000 to install a new 500 kilowatt generator with transfer switches, a fuel storage

tank and the associated switchgear/control system for University Hospitals. The existing 200 kilowatt generator is over 30 years old and is not adequately sized to meet the growing emergency power requirements of University Hospitals. The new generator is designed to meet the requirements of the Hospital Information Systems computer facility and the Shipping and Receiving Facility. This additional emergency power capacity will be cross-connected into the emergency power systems of adjacent buildings to ensure redundant reliable back-up.

University Hospitals and Clinics—C-53 Life Safety Remodeling \$310,000
Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 248,000
Architectural/Engineering Support	24,800
Planning and Supervision	12,400
Contingency	24,800
TOTAL	<u>\$ 310,000</u>

University officials requested approval of a project description and budget in the amount of \$310,000 to remodel 6,300 square feet of space in the C-53 area on the fifth floor of the General Hospital to bring the space into compliance with life safety and environmental codes. Work to be accomplished includes electrical system modifications, asbestos and plaster ceiling removal, fire smoke compartment upgrades and fire alarm system improvements.

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University officials presented six projects with budgets of less than \$250,000. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

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ARCHITECT/ENGINEER AGREEMENTS

Hawkeye Athletic/Recreation Facilities Complex \$310,000
Herbert Lewis Kruse Blunck, Des Moines, Iowa

University officials requested approval of a negotiated agreement with Herbert Lewis Kruse Blunck in the amount of \$310,000 which will provide for preparation of a master

plan study for the project. The master planning phase will address issues such as the size and number of facilities, site development, utility requirements, roadways, parking, and project costs. University officials plan to complete this phase of the project in April 1998.

The agreement provides for a fee of \$310,000, which includes a fee of \$250,000 plus \$60,000 for reimbursables. University officials will return to the Board for approval of agreements for schematic design and design development services following completion of the master plan study.

<u>Communications Center Remodeling and Renovation</u>	<u>\$63,000</u>
Brown Healy Stone and Sauer, Cedar Rapids, Iowa	

University officials requested approval of a negotiated agreement with Brown Healy Stone and Sauer in the amount of \$63,000 to provide schematic design services and to establish the project budget. These preliminary planning services will allow the university to launch a fund raising effort which will partially fund the renovation project.

The School of Journalism and Mass Communication has temporarily relocated to Seashore Hall to free space in the Communications Center for use by the College of Engineering during the duration of the Engineering Building Modernization/Addition project. The university plans to proceed with the Communications Center renovation project once the building is vacated following completion of the Engineering Building project. For that reason, the university intends to proceed, at this time, with the Communications Center project only to the degree required for the university's fund raising efforts. The project will be put on hold at the completion of the schematic design phase pending the results of the fund raising effort and completion of the Engineering Building project. Detailed planning will be completed closer to the time when the Communications Center will be vacated by the College of Engineering.

The agreement provides for a fee of \$63,000, which includes a fee of \$61,400 with reimbursables not to exceed \$1,600.

Amendments:

<u>Engineering Building Modernization/Addition Project</u>	<u>\$24,979</u>
Neumann Monson, Iowa City, Iowa	

<u>Engineering Building Modernization/Addition Project</u>	<u>\$17,000</u>
Neumann Monson, Iowa City, Iowa	

CONSTRUCTION CONTRACTS

Levitt Center for University Advancement—Telecommunications Wiring \$32,518
Award to: Communication Innovators, Pleasant Hill, Iowa
(4 bids received)

Engineering Building Modernization/Addition—Asbestos Abatement--
Phase 2 \$24,584
Award to: Economy Solar Corporation, Monticello, Iowa
(13 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Schaeffer Hall Remodeling and Renewal Casework Package
McComas-Lacina Construction Company, Iowa City, Iowa

National Advanced Driving Simulator—Site Preparation
Dave Schmitt Construction Company, Cedar Rapids, Iowa

National Advanced Driving Simulator—Utilities Extension to Lot 20—
Oakdale Research Park
Wendler Engineering and Construction, South Amana, Iowa

Campus Fiber Optic Network—Project 8—Contract 1—Entrance Facilities Construction
Gerard Electric, Iowa City, Iowa

Medical Laboratories—Remodel Laboratory Suites 214 and 317—Asbestos Abatement
Economy Solar Corporation, Monticello, Iowa

Campus Fiber Optic Network—Project 7, Contract 1—Outside Plant Fiber
Communication Innovators, Altoona, Iowa

Campus Fiber Optic Network—Project 5, Contract 6—Pharmacy Building
NIS Communications, St. Louis Park, MN

Campus Fiber Optic Network—Project 9, Oakdale Campus—Contract 1, Entrance
Facilities Construction
Gerard Electric, Iowa City, Iowa

University Hospitals and Clinics—Carver West Mechanical Equipment Upgrade
R. M. Boggs Company, Iowa City, Iowa

Campus Fiber Optic Network—Project 9, Oakdale Campus—Construction of Ductbank and Entrance Facilities—Contract 2, Exterior Ductbank
Dig America Utility Contracting, Bondurant, Iowa

Campus Fiber Optic Network—Project 12, Contract 2—Wendell Johnson Speech and Hearing Center
NIS Communications, St. Louis Park, MN

Currier Residence Hall—Replace Windows
Robinson Energy Efficient Products, Baxter, Iowa

East Campus Chilled Water System—Biology Building Extension
Modern Piping, Cedar Rapids, Iowa

Parking Ramp Preventive Maintenance and Repair
Western Waterproofing Company, West Des Moines, Iowa

English-Philosophy Building—Exterior Repairs--Asbestos Abatement
Great Plains Asbestos Control, Kearney, NE

MOTION: Regent Fisher moved that the Register of Capital Improvement Business Transactions for the University of Iowa be approved, as presented. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

FINAL APPROVAL OF TRAFFIC VIOLATION FINE SCHEDULE. The Board Office recommended that the Board give final approval to the traffic violation fine schedule for bicycles, skateboards, and skates at the University of Iowa.

In November 1997, the Board approved amendments to the traffic regulations at the University of Iowa, which are part of the Iowa Administrative Code. The amendments provide the authority for the university to regulate traffic and violations of traffic rules by student and nonstudent users of bicycles, skateboards, roller and in-line skates, and similar modes of transportation. The approved changes allow for establishing fines for these violations and will be effective January 21, 1998.

In December 1997, the Board gave preliminary approval to the proposed new traffic violation fines of \$25 for several traffic violations related to bicycles, skateboards, and skates at the University of Iowa. These amounts are within the established guidelines.

GENERAL
January 15, 1998

MOTION:

Regent Arenson moved to give final approval to the traffic violation fine schedule for bicycles, skateboards, and skates at the University of Iowa. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Thursday, January 15, 1998.

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

Register of Personnel Changes for December 1997 which included eight requests for early retirement and two requests for phased retirement.

ACTION: The personnel transactions were approved, as presented, by consent.

APPROVAL OF IOWA STATE UNIVERSITY'S REQUEST TO CHANGE THE NAME OF THE DEPARTMENT OF PROFESSIONAL STUDIES IN EDUCATION TO THE DEPARTMENT OF EDUCATIONAL LEADERSHIP AND POLICY STUDIES. The Board Office recommended the Board refer the request to change the name of the Department of Professional Studies in Education at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendations.

Professional Studies in Education encompasses adult and extension education, counselor education, educational administration, higher education, and research and evaluation in education.

As a result of a recent program review, the department is sharpening its focus on educational administration and higher education. The name change will present a more consistent image of the focus for those interested in leadership positions in education.

ACTION: This matter was referred by consent.

APPROVAL OF IOWA STATE UNIVERSITY'S 2001-2002 AND 2002-2003 ACADEMIC YEAR AND SUMMER SESSION CALENDARS. The Board Office

recommended the Board approve proposed calendars for 2001-2002 and 2002-2003 academic years and summer sessions in 2002 and 2003.

Iowa State University officials presented its proposed calendars for 2001-2002 and 2002-2003 academic years for approval per Board policy. University officials proposed to continue its current pattern of 74 instructional days per semester followed by an examination week. The summer session offer 2 sessions: one primarily for continuing students and one primarily for new students and teachers from the K-12 sector. The holidays proposed were in compliance with current labor agreements.

ACTION: This matter was approved by consent.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended that the Register of Capital Improvement Business Transactions for Iowa State University be approved.

PROJECT DESCRIPTIONS AND BUDGETS

University officials presented one project with a budget of less than \$250,000. The title, source of funds and estimated budget for the project were listed in the register prepared by the university.

ARCHITECT/ENGINEER AGREEMENTS

<u>Utilities—Electric System Improvements—FY 1998</u>	<u>\$16,000</u>
Farris Engineering, Omaha, NE	

University officials requested approval to enter into an agreement with Farris Engineering to provide engineering design services through completion of the project. The agreement provides for a fixed maximum fee of \$16,000, including reimbursables.

Amendments:

<u>Library Storage Building/Administrative Services</u>	<u>Amendment #1 \$48,525</u>
<u>Facilities Office Building</u>	
Story Construction Company, Ames, Iowa	

University officials requested approval of Amendment #1 to the agreement in the amount of \$48,525. The agreement with Story Construction Company provides for on-site construction supervision, management and general conditions services based on a completion date of August 1997. The scope and duration of the project have increased due to modifications to the project to accommodate the needs of the users of the

facility. Amendment #1 reflects an increase in the reimbursable amount to Story Construction Company for these continued services.

All reimbursable expenses, including those provided for in this amendment, are billed to the university based upon the actual expenses incurred by the construction manager. The expenses are closely monitored by the university on a monthly basis.

Amendment #1 will not result in an increase in the total project budget.

CONSTRUCTION CONTRACTS

<u>Livestock Infectious Disease Isolation Facility</u>	<u>\$4,878,750</u>
Award to: Henkel Construction Company, Mason City, Iowa (6 bids received)	

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Telecommunications—Cable Enhancement—FY 1996
Brown Brothers, Des Moines, Iowa

University Child Care Facility
HPC, L.L.C., Ames, Iowa

Athletic Office and Training Facility—Olsen Building, Phase 3—North Construction
ACI Mechanical, Ames, Iowa

Wallace Hall—Elevator Upgrade and Modernization—Penthouse Renovation
Koester Construction Company, Des Moines, Iowa

FINAL REPORTS

<u>Maple-Willow-Larch and Commons—Fire Safety Improvements</u>	<u>\$13,233.35</u>
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MOTION: Regent Fisher moved that the Register of Capital Improvement Business Transactions for Iowa State University be approved, as presented. Regent Lande seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF EASEMENT. The Board Office recommended the Board approve the easement, as presented.

Iowa State University officials requested approval of a meter pit easement agreement with the Xenia Rural Water District which was requested by the utility for the purpose of excavating a pit for installation of a water meter at the Bilsland Memorial Farm in Boone County, Iowa, at no cost to the university.

MOTION: Regent Ahrens moved to approve the easement, as presented. Regent Fisher seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arenson, Fisher, Kelly, Lande, Newlin, Smith.
NAY: None.
ABSENT: Kennedy, Pellett.

MOTION CARRIED.

SALE OF \$15,665,00 (ESTIMATED) ACADEMIC BUILDING REVENUE REFUNDING BONDS, SERIES I.S.U. 1998. The Board Office recommended that the Board adopt the following resolutions:

- 1) A Resolution providing for the sale and award of \$15,665,000 (estimated) Academic Building Revenue Refunding Bonds, Series I.S.U. 1998, and approving and authorizing the agreement of such sale and award.
- 2) A Resolution authorizing and providing for the issuance and securing the payment of \$15,665,000 (estimated) Academic Building Revenue Refunding Bonds, Series I.S.U. 1998, for the purpose of refunding (i) the 1998 through 2012 maturities of the \$7,400,000 Academic Building Revenue Bonds, Series I.S.U. 1987, presently outstanding in the principal amount of \$6,150,000, and (ii) the 1998 through 2013 maturities of the \$10,000,000 Academic Building Revenue Bonds, Series I.S.U. 1989, presently outstanding in the principal amount of \$8,900,000 heretofore issued by the Board to defray costs of buildings and facilities on the campus of Iowa State University of Science and Technology.
- 3) A Resolution authorizing the execution of an Escrow Agreement to provide for the payment of the 1998 through 2012 maturities of the Academic Building Revenue Bonds, Series I.S.U. 1987 and the 1998 through 2013 maturities of the Academic Building Revenue Bonds, Series I.S.U. 1989.

At its November 1997 meeting the Board approved the proposed refunding of Iowa State University Academic Building Revenue Bonds, Series 1987 and 1989. The Board

adopted at its December 1997 meeting a preliminary resolution for the sale of the bonds with the sale of the refunding bonds to occur in January 1998. The two bond issues were identified for refunding because of cost savings which can result from currently low interest rates.

Tuition and fee revenues are used for debt service payments on academic building revenue bonds with tuition replacement appropriations utilized to replace that university revenue. The net and present value savings from the refundings in future tuition replacement appropriations exceed \$320,000 and \$900,000 respectively. The refundings provide an opportunity for a modest amount of restructuring of debt service payments to a more level tuition replacement appropriation requirement over the next few years.

Mr. Fick stated that bids were accepted that morning to refund in advance the bonds issued in 1987 and 1989. Two bidders were scheduled to submit bids; however, Merrill Lynch was unable to complete its bid in time. A group led by Piper Jaffray bid rates that were very good. He stated that the true interest cost of the bid was 4.4735 percent over the life of the bonds which was approximately 10-1/2 years. He said the bonds received ratings of A-1 from Moody's and A+ from Standard & Poor's. In comparison, these bonds traded at the same or slightly lower rate as AAA-rated bonds.

Regent Fisher asked if the interest rate received for these bonds was comparable to rates for the bonds sold last fall. Mr. Fick stated that in July 1997 the Board sold approximately \$7 million in bonds for Iowa State University. The average maturity of those bonds was 6 years. The bid for those bonds was for a true interest cost of 4.34 percent. The interest rate of those bonds was only 13 basis points lower than the interest rate of the bonds being sold at this meeting, while these most-recent bonds have a life almost twice as long as the earlier bonds sold.

Regent Lande asked for the interest rate of the bonds being replaced. Mr. Fick responded that the average percentage rate of the bonds being replaced was 6.274 percent. Total net savings as a percent of the present value refunded debt service was approximately 8-1/2 percent. He noted that the issue size was finalized and that the size had increased by \$5,000 to a total of \$15,670,000.

Mr. Haynie stated that the purchase price would be adjusted upward pro rata. The \$5,000 increase translates to a \$5,000.70 addition to the purchase price. He said the \$5,000 will be placed in the maturity schedule where it functions to create the proper yield pattern. A portion of the refunded bonds will be called in 1998 and a portion of the bonds will be called in 1999. The extra \$5,000 of principal replaces the interest between now and those two call dates. He noted that the interest rate bid was less than expected. There was good market action leading into this sale.

MOTION:

Regent Fisher moved to adopt the following resolutions: 1) A Resolution providing for the sale and award of \$15,670,000 Academic Building Revenue Refunding Bonds, Series I.S.U. 1998, and approving and authorizing the agreement of such sale and award. 2) A Resolution authorizing and providing for the issuance and securing the payment of \$15,670,000 Academic Building Revenue Refunding Bonds, Series I.S.U. 1998, for the purpose of refunding (i) the 1998 through 2012 maturities of the \$7,400,000 Academic Building Revenue Bonds, Series I.S.U. 1987, presently outstanding in the principal amount of \$6,150,000, and (ii) the 1998 through 2013 maturities of the \$10,000,000 Academic Building Revenue Bonds, Series I.S.U. 1989, presently outstanding in the principal amount of \$8,900,000 heretofore issued by the Board to defray costs of buildings and facilities on the campus of Iowa State University of Science and Technology. 3) A Resolution authorizing the execution of an Escrow Agreement to provide for the payment of the 1998 through 2012 maturities of the Academic Building Revenue Bonds, Series I.S.U. 1987 and the 1998 through 2013 maturities of the Academic Building Revenue Bonds, Series I.S.U. 1989. Regent Arenson seconded the motion, and upon the roll being called, the following voted:

AYE: Ahrens, Arenson, Fisher, Kelly, Lande, Newlin, Smith.

NAY: None.

ABSENT: Kennedy, Pellett.

MOTION CARRIED.

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Thursday, January 15, 1998.

REGISTER OF PERSONNEL TRANSACTIONS. The Board Office reported that the university's Register of Personnel Changes for December 1997 had not been received and would be reported next month.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended the Board (1) approve the Register of Capital Improvement Business Transactions for the University of Northern Iowa, excluding approval of the program statement and schematic design for the Lang Hall Renovation project; (2) receive the report from the University of Northern on its evaluation of alternatives relative to the treatment of the auditorium in the Lang Hall Renovation project; (3) receive the report of the Board Office recommending Option 2, which retains the auditorium at no additional cost; and (4) defer action on the program statement and schematic design for the Lang Hall Renovation project until the February 1998 Board meeting.

APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS

Lang Hall Renovation

The following design options for the Lang Hall Renovation project were developed by the university and the project architects, InVision Architecture.

Option 1

As presented at the December Board meeting and in the schematic design booklet submitted at that time, Option 1 would eliminate the auditorium and re-develop the area into an Interpreters Theater and two television studios to meet current space needs. The Interpreters Theater would retain two of the current auditorium entrances from the corridor. The entrances and theater space could be designed to be reminiscent of an

historic theater space through the use of materials present in the original construction of the auditorium. University officials continue to support this option and believe that the space needs of the university are more fully realized under this schematic design, which will provide the Department of Communication Studies the capability to look to course offerings for the future and provide the university Office of Public Relations the capability of creating materials for outside distribution.

The plumbing fixture quantities in Option 1 were adjusted from the design presented in December and were now based on a 60/40 ratio of females to males to reflect the current campus population. The total number of fixtures will exceed the requirements of the Uniform Building Code which specifies a total of 18 female fixtures and 14 fixtures for males based upon proposed occupancy loads.

The construction estimate for Option 1 is \$9,629,000. This cost includes general construction, mechanical and electrical construction, site work and fixed equipment.

Option 2

Option 2 would retain the major portion of the auditorium (approximately 8,600 square feet for the main floor and balcony) while modifying the stage area to meet the needs of the Communication Studies Department.

The auditorium house would be retained and reconstructed to more closely reflect the original character of the auditorium space. The Interpreters Theater would be relocated to the existing stage area which would be extended into the existing house space. This would provide approximately 1,200 square feet of space for the Interpreters Theater which is a reduction of 600 square feet from the 1,800 square feet programmed under Option 1. The use of a movable wall would separate the Interpreters Theater and a large lecture hall in the auditorium space. With the movable wall retracted a full stage would be available for use. The restoration of the auditorium would also include replacement of the existing seating with more historically appropriate theater seating. University officials would plan to use the auditorium primarily as a lecture classroom.

The large television studio included in Option 1 cannot be accommodated in Option 2. The small television studio would be located in the existing northwest backstage area and would be reduced in size by 250 square feet from 1,200 net square feet to 950 net square feet. The classroom included in the original design of the northwest addition has been removed in order to provide the required height for the television studio. Neither the Interpreters Theater nor the television studio could be accessed from the first floor while the auditorium is in use, but both would be accessible from the ground and third floors.

Option 2 would relocate several areas to the ground floor under the auditorium and backstage areas. This would include the editing labs, two classrooms, equipment checkout and repair spaces, and the teleproduction component of the Office of Public Relations. The balance of the Office of Public Relations, which was originally proposed to be located entirely on the ground floor, could not be located in Lang Hall under Option 2.

University officials believe that provision of one small state-of-the-art television studio, which would replace the current studio located in Lang Hall, does not anticipate future needs of the university. There will be very limited television production capabilities for providing instructional/laboratory experiences for students, for creating quality programs for departments across campus, or for producing materials for off-campus distribution.

Retaining the auditorium would require approximately 25 percent more plumbing fixtures in the building than are required under Option 1. To accommodate this, the south addition would be expanded to increase the number of fixtures. The toilet rooms have been designed to reflect the 60/40 ratio of females to males while exceeding the minimum fixture requirements.

Three rows of three columns each must remain under the auditorium. While it has been possible to provide a design which works around most of the columns, one column would remain in each of two classrooms. It was estimated that after fireproofing material is applied to each column that it will be approximately 1 foot square.

The stairs at the center of the building must be retained from the ground floor to the second floor in order to provide access to the balcony. Vestibules would be added at the balcony entrances to provide sound isolation from the corridor. The third floor layout would remain unchanged from the original scheme.

Option 2 would remove approximately 6,817 square feet of space from the original program and design. This would include the deletion and reduction of space as follows.

Space to be deleted under Option 2:

	<u>Deletion</u>
<u>Office of Public Relations</u> (with the exception of teleproduction components)	3,692 square feet
<u>Television Studio—Broadcast News and Control Room, News Room and Observation Room</u>	<u>2,275 square feet</u>
TOTAL DELETION	5,967 square feet

Space to be reduced under Option 2:

	<u>Reduction</u>
<u>Television Studio—Instructional Performance</u>	250 square feet
<u>Interpreters Theater</u>	<u>600 square feet</u>
TOTAL REDUCTION	850 square feet

TOTAL SPACE REMOVED 6,817 SQUARE FEET

The construction estimate for Option 2 is \$9,609,000, which is slightly less than the estimate for Option 1. This cost includes general construction, mechanical and electrical construction, site work and fixed equipment.

Option 3

Option 3 would restore the auditorium in its present configuration. Under this option it would be necessary to delete the Interpreters Theater from the building. Drawings were not developed for this option since the plans would be the same as Option 2 with the exception of the Interpreters Theater. The cost for Option 3 would be the same as Option 2.

President Newlin asked President Koob if deferring consideration of the Lang Hall project would provide university officials with sufficient time. President Koob responded that it would.

PROJECT DESCRIPTIONS AND BUDGETS

University officials presented three projects with budgets of less than \$250,000. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

CONSTRUCTION CONTRACTS

Maucker Union—Computer Lab and Student Organization Offices \$180,200
Award to: Jorgensen Construction, Cedar Falls, Iowa
(6 bids received)

Residence Facility—Apartments and Suites Air Circulation Modifications \$35,670
Award to: Young Plumbing and Heating, Waterloo, Iowa
(2 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Bartlett Hall—Fire Safety Improvements \$509,640
Greenley Development Company, Independence, Iowa

FINAL REPORTS

Physical Education Center Roof \$202,815.08

MOTION: Regent Arenson moved to (1) approve the Register of Capital Improvement Business Transactions for the University of Northern Iowa, excluding approval of the program statement and schematic design for the Lang Hall Renovation project; (2) receive the report from the University of Northern on its evaluation of alternatives relative to the treatment of the auditorium in the Lang Hall Renovation project; (3) receive the report of the Board Office recommending Option 2, which retains the auditorium at no additional cost; and (4) defer action on the program statement and schematic design for the Lang Hall Renovation project until the February 1998 Board meeting. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

GENERAL
January 15, 1998

President Newlin then asked Board members and institutional officials 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 Thursday, January 15, 1998.

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

Register of Personnel Changes for December 1997.

ACTION: The Register of Personnel Transactions was approved, as presented, by consent.

President Newlin then asked Board members and institutional officials 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 Thursday, January 15, 1998.

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

Register of Personnel Changes for the November 16 to December 13, 1997.

ACTION: The personnel transactions were approved, as presented, by general consent.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to Iowa Braille and Sight Saving School. There were none.

ADJOURNMENT.

The electronic meeting of the State Board of Regents adjourned at 11:45 a.m., on Thursday, January 15, 1998.

R. Wayne Richey
Executive Director