

The State Board of Regents met on Wednesday, January 18, 1995, at the University Park Holiday Inn, West Des Moines, Iowa. The following were in attendance:

January 18 _____

Members of State Board of Regents

Mr. Berenstein, President	All sessions
Mr. Collins	All sessions
Mr. Dorr	All sessions
Ms. Furgerson	All sessions
Mrs. Hendricks	All sessions - by telephone
Mrs. Johnson-Matthews	All sessions
Dr. Newlin	All sessions
Mrs. Pellett	All sessions
Dr. Tyrrell	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 Williams	All sessions
Compliance Officer Maxwell	All sessions
Minutes Secretary Briggie	All sessions

State University of Iowa

President Rawlings	All sessions
Provost Nathan	All sessions
Vice President Manasse	All sessions
Vice President Rhodes	All sessions
Vice President True	All sessions
General Counsel Schantz	All sessions
Director Yanecek	All sessions

Iowa State University

President Jischke	All sessions
Associate Provost Lewis	All sessions
Vice President Madden	All sessions
Associate to the President Adams	All sessions
Director Bradley	All sessions
Associate Director Anderson	All sessions

University of Northern Iowa

President Curris	All sessions
Provost Marlin	All sessions
Vice President Conner	All sessions
Executive Assistant to the President Stinchfield	All sessions
Assistant to the President Gadelmann	All sessions

Iowa School for the Deaf

Superintendent Johnson	All sessions
Business Manager Heuer	All sessions
Interpreter Rapp	All sessions

GENERAL
January 18, 1995

Interpreter Reece

All sessions

Iowa Braille and Sight Saving School
Superintendent Thurman

All sessions

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, January 18, 1995.

President Berenstein stated that Regent Hendricks was in attendance by telephone. He noted that the Minutes of the December 1994 Board of Regents meeting had not been completed; therefore, the December and January 1995 Minutes would be approved at the February 1995 Board of Regents meeting.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a) Catalog Revisions for Iowa State University. The Board Office recommended the Board (1) approve the proposed 1995-97 catalog revisions for Iowa State University and (2) approve the discontinuance of the undergraduate certificate program in Agricultural Studies and the undergraduate major in Naval Science consistent with Board policy that the programs will not be terminated until after the last student enrolled has completed the requirements of the program.

The revisions were reviewed by the Board Office and the Interinstitutional Committee on Educational Coordination and were recommended for approval.

The report from Iowa State University discussed significant trends; described courses, curricula, majors, minors, or options added or dropped; listed changes in course titles, course numbers, and credits; and provided summaries of changes by collegiate unit.

Included in the proposed changes were requests to discontinue two programs: (1) the undergraduate certificate program in Agricultural Studies and (2) the undergraduate major in Naval Science.

Three hundred fifteen (315) courses were added and 246 were dropped. Of the new courses, 54 will be offered in alternate years, 31 were intended to help students take advantage of work opportunities in connection with their education, 7 were the result of adding separate course numbers to lab components of existing courses, 3 were orientation courses, 5 were independent study, and 5 were honors sections of existing courses.

The Board Office reported that the number of courses being added was reasonable given the nature of the changes and the normal curricula changes for an institution like Iowa State University.

Regent Dorr asked how course changes evolve, such as whether it was due to student demand or changes in a given field. Associate Provost Lewis responded that the recommended action was a result of an extensive curriculum review process, and was the product of both student requests and faculty initiatives. Iowa State University's procedure, for the most part, is that new courses are offered experimentally. Only after courses have been tried out are they proposed as continuing courses in the catalog.

Regent Dorr suggested that at some point the Board should revisit how this evolves because it could grow and mushroom without appropriate reviews.

Associate Provost Lewis responded that Iowa State University officials are very conscious of that kind of concern, and watch carefully the proposals of the deans and provost. He noted that the deans have to provide the resources for the offerings.

MOTION:

Regent Furgerson moved to (1) approve the proposed 1995-97 catalog revisions for Iowa State University and (2) approve the discontinuance of the undergraduate certificate program in Agricultural Studies and the undergraduate major in Naval Science consistent with Board policy that the programs will not be terminated until after the last student enrolled has completed the requirements of the program. Regent Newlin seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

President Berenstein asked the individuals seated at the press table to stand and introduced themselves, which they did.

REPORT ON EFFICIENCIES AND EFFECTIVENESS EFFORTS. The Board Office recommended the Board (1) receive the report on efficiency and effectiveness and (2)

direct the institutions to continue their efforts to improve efficiency and effectiveness in institutional operations and to prepare a report for submission in June 1995 along with their FY 1996 proposed operating budget.

Below are selected highlights from the reports of the Regent institutions.

Significant Administrative Savings

University of Iowa officials distributed a request for proposals to replace the Copy Center, which is a \$2 million a year operation, with an external provider.

Management of the University of Iowa's tenant property operation is being outsourced, resulting in the elimination of one full-time position and two part-time student positions for estimated annual savings of \$15,000.

Contract services have been used in student counseling at Iowa State University to meet increased demand which has saved approximately \$10,000 in personnel costs.

In the University of Iowa's Motor Pool, a comprehensive fleet management information system was being implemented, the cruiser bus service was being transferred to Cambus or outsourced, and leased/assigned vehicles with annual utilization of less than 8,000 miles were being analyzed.

University of Iowa officials were considering cooperation with Iowa City and Coralville on the production and distribution of water which should produce long-term water and sewer savings.

Iowa School for the Deaf has outsourced painting to Iowa State University for estimated annual savings of \$60,000. Beginning in FY 1993, electrical services at Iowa School for the Deaf were outsourced for annual savings of approximately \$34,851. An agreement with Area Education Agency 13 for audiological services at Iowa School for the Deaf resulted in cost savings of approximately \$10,000.

Purchasing at Iowa State University achieved identifiable cost savings of \$630,000 on individual acquisitions through efforts such as negotiating settlements for equipment not in compliance with performance specifications, timing bid solicitations with favorable market conditions, and using substitute products.

Iowa State University worked with the other Regent institutions to develop joint purchasing contracts for power plant chemicals, scientific equipment and supplies, and household moving services.

Quantity discounts up to 17 percent were achieved by University of Northern Iowa through cooperative purchasing agreements with other Regent institutions and other State agencies.

Energy consumption per square foot was reduced at the University of Iowa by about 6.6 percent since FY 1989 which contributed to utility savings of \$700,000 during the past year, enabling reallocations for building repairs, maintenance and supplies.

Energy conservation improvements in Iowa State University's College of Veterinary Medicine Building were expected to reduce utility costs by \$700,000 per year.

By modifying the co-generation facility at the University of Northern Iowa so more alternative fuels could be used, the power plant has become more efficient and air emissions have been reduced.

The five-year conversion of the general ledger system at the University of Iowa was completed and in operation on July 1, 1993, and the budgeting process was changed from manual to electronic.

Budget transfers within major administrative units at Iowa State University are now processed electronically, eliminating the need to process paper transfers and key data into the central accounting system. An accounting team at Iowa State University has reduced the cycle time for processing a major portion of correction vouchers by 91 percent and reduced the processing costs from \$5.05 per correction voucher to \$0.48. Gifts received by Iowa State University's Alumni Association are deposited on the same day they are received which has increased interest earnings.

Iowa State University participated in a National Association of College and University Business Officers (NACUBO) benchmarking project and estimated savings of \$200,000 from implementing the best practices from other institutions.

A facilities planning and management team at Iowa State University has reduced the material reorder process time from 20 days to 5 days.

Organizational reviews were completed at the University of Iowa with the assistance of Deloitte and Touche for General Stores, Laundry Service, and Motor Pool operations. Improvements taken or in progress for General Stores at the University of Iowa include reducing inventory by eliminating slow moving items and expanding the stockless order program, modernizing inventory management and order placement systems, combining similar functions of Physical Plant Stores with General Stores, and consolidating delivery routes.

Actions taken in Laundry Services at the University of Iowa included developing a plant replacement plan, refining the costing model and redesigning pricing policies, and creating a hospital/laundry team to reengineer the linen process.

The Health Protection Office at the University of Iowa expanded micromanagement of over 40 radioactive waste streams resulting in disposal cost savings of \$90,000.

The University of Iowa's College of Dentistry eliminated a senior administrative position by restructuring its administrative organization.

Campus mail and ADP bulk mail were integrated at the University of Iowa into a single organization which allows the university to receive discounts for presorting and metering mail and achieve economies of scale for total annual savings estimated at \$500,000.

Coordination between State and Federal relations at Iowa State University was improved and savings of \$60,000 was achieved through the merger of the Office of Federal Relations and the Office of State Relations.

Iowa State University's University Museums, Iowa State Center, and WOI AM/FM began reporting to the Vice President for External Affairs on July 1, 1994, in an effort to increase effective programming for internal and external audiences and to create a synergistic relationship between external affairs units.

In consideration of the changing health care environment where cost-cutting and improved processes will be required, the University of Iowa's Department of Pathology consolidated laboratory/budgetary units, redefined job positions, reduced primary supervisory positions and supervisor/production positions for a 10 percent staff reduction and savings of \$555,946.

Local area computer networks were being installed in each of the 107 Iowa State University Extension field offices which will improve staff productivity, increase the speed of communication, reduce paper, and make Iowa State University Extension bulletins and other publications available electronically in the future.

On-line ISU, which is available on the Internet, was created by University Relations to provide information about class offerings, research and job opportunities, university news, campus events, and individual department and unit news.

Magnetic strip identification cards are used at the University of Northern Iowa for Athletic All Sports Passes which has decreased part-time personnel costs. A computerized parking permit and citation system was implemented by University of Northern Iowa to reduce labor intensive data entry.

By putting the University of Northern Iowa campus supply catalog on INFOSYS users have immediate access to current prices and several thousand dollars are saved annually in printing and distribution costs.

Savings were achieved by Iowa Braille and Sight Saving School through changing the long distance carrier to ICN.

Staff hours and publication costs have been reduced at the University of Northern Iowa by adding new sections to INFOSYS, the campus-wide, electronic information system.

The University of Iowa ranks best among its peer institutions in executive/administrator efficiency with the percent of executive/administrators to total staff at 2.99 percent (including the hospital) compared to the peer average of 4.8 percent.

U.S. News and World Report ranks the University of Northern Iowa as one of the most efficient institutions among 119 Midwest colleges and universities and cites the institution as a "best value" among Midwest regional universities. University of Northern Iowa has received one of twenty certificates of achievement for excellence in financial reporting given nationally by the Government Finance Officers Association for the U.S. and Canada.

University of Iowa's College of Medicine has refurbished sterilizers (autoclaves) for savings of about \$135,000 and reused cold rooms from the Microbiology remodeling project.

The Iowa State Center at Iowa State University has produced savings of \$131,500 by upgrading and automating utility controls, reviewing insurance providers, and upgrading computers in the marketing department.

Iowa State University's Alumni Association canceled maintenance and support contracts for computer workstations and has purchased services as needed for savings of about \$29,000 per year.

A University of Iowa bond issue was refunded with present value savings of \$1.75 million.

Operations and maintenance costs at the University of Northern Iowa have been reduced by cross-training craft personnel and using contractors.

A large group of volunteers were trained nationwide for University of Northern Iowa's current capital campaign instead of hiring additional personnel.

Numerous additional efficiencies were achieved through elimination or reorganization of academic programs; improvements of instruction, research and student services; faculty productivity; strategic planning; private fund raising; and, TQM efforts. Information on those efforts were included in the institutional reports, which are on file in the Board of Regents Office.

President Curriss said he felt very good about what the University of Northern Iowa has been able to achieve while enhancing effectiveness. He said they could achieve greater effectiveness but it would be more difficult to achieve greater efficiencies. University officials focus their attention where the money is. He was proud of the many accomplishments they had been able to achieve. There has been an investment in technology as well as a streamlining of administrative processes.

President Jischke stated the report detailed a large number of efficiencies that had been effected at Iowa State University which they try to do systematically every year, guided by the strategic plan and budget process. Every year university officials determine the highest institutional priorities and invest the resources they have available into those priority areas. Over the last 6 years Iowa State University has reallocated \$40 million from lower to higher priorities. He said it is a systemic process which will continue. It will call for their continued effort and they reallocate to achieve greater effectiveness.

President Rawlings stated the report prepared by the Board Office provided the details of the University of Iowa's efforts. He noted the following three items, in particular. With regard to energy consumption per square foot, he said \$700,000 in expenses had been reduced in the last year. He gave credit to physical plant officials and to Vice President True's office. The 5-year conversion of the general ledger system moved budgeting from a manual to an automated process. He said this was a huge effort on the campus. He referenced the statement in the docket memo that indicated the University of Iowa's rates for executive efficiency of administrators was the best in the country among comparable universities. The University of Iowa has the lowest ratio of executive administrative types in relation to the size of the total staff. He noted that Peat Marwick officials a few years ago indicated that the University of Iowa was underadministered.

Regent Tyrrell noted that in the recent past the Regents received a very encouraging report from the Pathology Department concerning its consolidating and cost-cutting efforts.

President Rawlings responded that the example was now being followed in other departments of the College of Medicine. He said the universities must change the way they do their business. The University of Iowa has had some very strong leadership in reducing the amount of staff by a high percentage. He said the efforts vary from department to department and he had not yet received the results from other

departments. He emphasized that Vice President True led a great part of the effort to cut costs and restructure activities.

Superintendent Thurman said he believed this process had been very valuable for Iowa Braille and Sight Saving School. It was becoming a more focused institution. Last year school officials performed an extensive program review with an emphasis on the secondary school. He said progress has been good to this point but he did not anticipate any areas where they would be able to achieve extensive reallocation in the future. While they will not be able to do a lot of reallocation, they will be more effective and efficient in what they do and how they do it. One of the initiatives will be technology. School officials have been blessed by being in the Regent system. They have been able to "borrow" Richard Varn, University of Northern Iowa, who serves as a consultant to the school in the area of technology.

Superintendent Johnson stated that the Board Office had summarized the efforts of Iowa School for the Deaf very well. He was satisfied with the efforts that had taken place to date. There were some areas of the school in which they found there were no additional efficiencies that could be achieved. School officials were looking at other areas and would continue to do so.

Regent Tyrrell asked about the savings attributed to outsourcing electrical services in the amount of \$35,000. Superintendent Johnson responded that when the staff person in that position went on leave, school officials asked Iowa State University for assistance in reviewing the school's needs for electrical services. The school now contracts for those services on an as-needed basis. The savings were in the area of the staff member's salary.

Regent Newlin asked about the savings with regard to outsourcing painting services. Superintendent Johnson responded that Iowa School for the Deaf previously had contracts for painting services. Iowa State University personnel were able to develop contracts and let bids in a manner in which they were able to achieve reduced prices.

Regent Dorr said this was an excellent report in terms of maintaining a focus on these areas. He asked if there were measurable objectives with goals, etc. The Regents should determine if this was worth the time it takes to continue to put the report together and whether they were making progress.

Mr. Richey responded that institutional officials provide extensive reports when they come in with their budgets. There has to be an institutional plan in advance as to how various activities will be financed. He said in that sense, these efforts were being done according to a specific plan. The strategic plan identifies priorities year-round.

Regent Dorr stated that President Rawlings had pointed out the administrator efficiency ratio obtained at the University of Iowa. He asked if that was an attainable goal at the other institutions and whether there was a way to clearly identify the goal with objective measurements so they have a clearer picture whether these efficiencies were being obtained.

Mr. Richey responded that the Board Office could review the possibilities with the institutions when they come forward in the summer with their budgets.

ACTION: President Berenstein stated the Board, by general consent, (1) received the report on efficiency and effectiveness and (2) directed the institutions to continue their efforts to improve efficiency and effectiveness in institutional operations and to prepare a report for submission in June 1995 along with their FY 1996 proposed operating budget.

REPORT ON LEGISLATIVE SESSION AND GOVERNOR'S RECOMMENDATIONS.

The Board Office recommended the Board (1) receive information on the Governor's FY 1996 and FY 1997 budget recommendations and the Regents FY 1995 legislative program, and (2) approve appropriations bill language regarding National Advanced Driving Simulator.

The Governor recommended \$4.0 million in incremental operating appropriations (an increase of 0.8 percent) for the Regent institutions in FY 1996 after adjustments for the Governor's Family Opportunity Plan and Insurance Education Program, and \$3.4 million in incremental appropriations (an increase of 0.6 percent) in FY 1997.

The Governor's recommended FY 1996 increase of 0.8 percent for the Regent institutions compared with 5.7 percent for K-12, 10 percent for the Iowa Tuition Grant Program and 2.6 percent for the community colleges. The Regents appropriation will rise when the Governor makes salary recommendations.

The FY 1995 base appropriation was reduced by \$612,000 for the Governor's Family Opportunity Plan which will finance new initiatives (such as tax reductions) that were included in the Governor's budget. The FY 1995 base appropriation was further reduced by \$695,491 to encourage institutions to educate employees to opt for a lower cost health insurance program (Plan III at an 80-20 percent co-insurance instead of Plan II at a 90 percent -10 percent co-insurance).

Increases in operating appropriations for the Regent institutions of \$5.3 million in

FY 1996 and \$3.4 million in FY 1997 were recommended. The Governor's recommended increases for FY 1996 and FY 1997 were as follows:

Salary Annualization

	<u>FY 1996</u>	<u>FY 1997</u>
University of Iowa	\$1,137,125	\$0
Iowa State University	606,169	0
University of Northern Iowa	186,000	0
Iowa School for the Deaf	37,128	0
Iowa Braille and Sight Saving	27,786	0
Total	<u>\$1,994,208</u>	<u>\$0</u>

The Board's FY 1996 request for salary annualization was fully funded.

Library Inflation

	<u>FY 1996</u>	<u>FY 1997</u>
University of Iowa	\$273,600	\$400,000
Iowa State University	412,400	324,400
University of Northern Iowa	<u>99,000</u>	<u>108,000</u>
Total	<u>\$785,000</u>	<u>\$832,400</u>

Approximately 75 percent of the Board's FY 1996 and FY 1997 request for an 8.5 percent increase in library inflation was recommended to address this critical need at the universities. No additional funding was recommended to cover general price inflation for goods, services or equipment.

Opening New Buildings

	<u>FY 1996</u>	<u>FY 1997</u>
University of Iowa	\$ 60,000	\$220,000
Iowa State University	104,272	0
University of Northern Iowa	<u>164,000</u>	<u>51,000</u>
Total	\$328,272	\$271,000

Partial funding was recommended for operating expenses of newly-opened facilities (\$328,272 of \$633,528 requested in FY 1996).

Undergraduate Education/Freshmen and Minority Retention

	<u>FY 1996</u>	<u>FY 1997</u>
University of Iowa	\$300,000	\$0
Iowa State University	300,000	0
University of Northern Iowa	<u>200,000</u>	<u>0</u>
Total	\$800,000	\$0

Funding of \$800,000 was recommended in FY 1996 at each of the universities for freshmen and minority retention efforts. The Regent request was for \$1,800,000 FY 1996 and \$1,450,000 in FY 1997.

Institutional Initiatives

Funding was recommended for the following institutional initiatives:

	<u>FY 1996</u>	<u>FY 1997</u>
University of Iowa		
Graduate Assistants	\$ 350,000	\$ 350,000
Primary Health Care	160,000	170,000
National Advanced Driving Simulator	326,347	534,000
Advanced Drug Development	<u>-136,481</u>	<u>-26,560</u>
Total - SUI	\$ 699,866	\$1,027,440
Iowa State University*		
Healthy Livestock for Iowa	\$ 500,000	\$1,000,000
Livestock Producers Assistance Program	<u>(100,000)</u>	<u>(100,000)</u>
Total - ISU	\$ 400,000	\$ 900,000
University of Northern Iowa		
Expand Industrial Technology	<u>\$ 200,000</u>	<u>\$ 438,600</u>
Total - UNI	\$ 200,000	\$ 438,600
Iowa School for the Deaf		
School Bus	<u>\$ 52,000</u>	<u>\$ -52,000</u>
Total - ISD	\$ 52,000	\$ -52,000
Iowa Braille and Sight Saving School		
School Bus	<u>\$ 52,000</u>	<u>\$ -52,000</u>
Total - IBSSS	\$ 52,000	\$ -52,000
 Total	 \$1,403,866	 \$2,262,040

* Does not reflect \$150,000 recommended from the Resource Enhancement and Protection (REAP) Fund for a pilot project relating to odor control at livestock facilities.

Additional funding of \$160,000 in FY 1996 and \$170,000 in FY 1997 was recommended for Primary Health Care at the University of Iowa to expand community-based training opportunities available to students who wish to practice medicine in the primary care setting.

Increased funding of \$326,347 in FY 1996 and \$534,000 in FY 1997 was recommended for the National Advanced Driving Simulator (NADS) in keeping with commitments made in 1991.

The sum of \$500,000 in FY 1996 and \$1,000,000 in FY 1997 was recommended for the Healthy Livestock for Iowa program at Iowa State University to develop veterinary expertise and leadership so that Iowa's livestock industries can take advantage of new developments and respond quickly to new emerging problems.

Additional funds of \$200,000 in FY 1996 and \$438,600 in FY 1997 for the expansion of the Industrial Technology program at the University of Northern Iowa were recommended.

Consistent with the recommendations of the 1987 Governor's Blue Ribbon Commission on Future Financing of Educationally-Related Costs of the University of Iowa Hospitals and Clinics, the Governor recommended flexibility be given in the use of indigent patient care funds, to help finance educationally-related costs at the University of Iowa Hospitals and Clinics.

The Governor's budget included appropriations for tuition replacement of \$27,700,000 in FY 1996 and \$28,147,220 in FY 1997 which fully funds the FY 1996 request and was \$202,780 less than the FY 1997 request.

The FY 1996 Governor's budget included the following capital projects:

<u>Project</u>	<u>FY 1996</u>
Infrastructure Fund (SUI)	\$1,000,000
Infrastructure Fund (ISU)	1,000,000
Performing Arts Center (UNI)	2,000,000
Capitals (ISD)	50,000
Boiler Replacement (IBSSS)	<u>296,000</u>
Total	\$4,346,000

The FY 1997 request for capital was recommended at \$1.6 million, primarily for fire and environmental safety projects at the University of Iowa and Iowa State University.

The Governor recommended \$22.8 million for the Iowa Telecommunications and Technology Commission for FY 1996, an increase of \$12.2 million. The Governor's recommendation for the commission included \$12.8 million for net debt service for Parts I and II and \$10 million to begin implementation of Part III. The Governor recommended that operating expenses of the commission be funded from operating revenues.

The Governor recommended an increase for the Iowa Tuition Grant Program for FY 1996 in the maximum individual grant award from \$2,650 to \$2,900 at a cost of an additional \$3.2 million (10 percent).

The Governor recommended an increase of \$3 million (2.6 percent) for the community colleges for FY 1996.

LEGISLATIVE PROGRAM

The following bills were introduced by the 1995 General Assembly and were being monitored by the Board of Regents' staff and the legislative liaisons:

SF 3 - Regents Nominating Council. This bill creates a six-member Regents Nominating Council appointed by the alumni associations of the universities. The council would nominate three candidates for each vacancy on the Board of Regents. Eight of the nine Board members (excludes student member) shall be appointed by the Governor from the list of nominees submitted by the council.

This bill was referred to the State Government Committee. Recommended Regent position was MONITOR.

SF 10 - Senate Confirmation of Executive Director of Board of Regents. The executive director would be subject to senate confirmation and reconfirmation every four years with an effective date of July 1, 1996. This would potentially have a major impact on the Board's governance.

The bill was referred to the State Government Committee. Recommended Regent position was OPPOSE.

SF 17 - Establishing the State Percent of Growth for the School Budget Year. The Governor's budget recommendations had 3 percent budgeted for growth. This bill establishes a State percent of growth equal to 4.5 percent, which would require an additional \$25.5 million under the school aid formula.

The Committee on Education approved the bill. An amendment was filed on 1/11/95. Recommended Regent position was MONITOR.

Proposed Appropriations Bill Language - National Advanced Driving Simulator

During discussion at the November Board meeting regarding the University of Iowa seeking amendment of the FY 1997 State appropriation funding request for the National Advanced Driving Simulator (NADS) to reflect estimated building construction costs, President Berenstein requested that language be drafted stating that State funding for this project was contingent upon the University of Iowa receiving Federal funds.

It was recommended that the Board request that language be included in the appropriations bill which stipulates that funds requested by the Board (\$5.7 million) for the construction of a facility to house NADS in FY 1997 and FY 1998 be expended only upon receiving notification from the National Highway Traffic Safety Administration (NHTSA) that: 1) Congress has authorized the construction phase of NADS, 2) Federal funds have been appropriated to begin the construction phase, and 3) delivery of the

motion base, graphics system and integrated software will take place in substantial compliance with the U.S. Department of Transportation acquisition schedule as set forth in the cooperative agreement between the University of Iowa and NHTSA.

Mr. Richey reviewed with the Regents the information contained in the docket memorandum. He noted that about one-half of the \$4 million increase in appropriations for the institutions for FY 1996 was for salary annualization per collective bargaining. He said the Governor still needed to make his recommendation on salary policy and the amount of appropriations to be distributed to cover the salary policy.

Regent Tyrrell asked for clarification of the K-12 school improvement fund. Mr. Richey responded that he did not know the details but that the funds were for programming and not for buildings.

Regent Collins asked if the Governor's proposed funding for the Regents would become slightly larger than .8 percent when considering the tuition replacement appropriations. Mr. Richey responded affirmatively, stating that the addition for tuition replacement would bring the total Regents' increase in appropriations to 1.1 percent.

President Jischke stated that the Governor's appropriations increase recommendation was disappointing given the healthy state of Iowa's finances and considering the inflationary increases the institutions have to cover. The appropriations increase for building repair budgets was especially disappointing. He said the salary policy was unknown at this time. Salary policy was a very important issue because of the size of salaries of the total institutional budgets. He said it was absolutely essential that the salary policy be fully funded. He pleaded with the Board to help make sure that happens. Otherwise, he said it would be a grim prospect. He hoped the Regents would use whatever influence they had to make that point.

President Rawlings said he supported President Jischke's comments. The numbers were disappointing in some respects. He hoped the numbers would improve in the General Assembly with the Regents' help. He drew attention to two items at the University of Iowa that were not in the Governor's recommendations. The first item was the biosciences initiative which was not funded in the Governor's recommendation. University officials very much want at least a start on the funding for the initiative. He stressed that they did not need a lot of money but had to have something to make clear that the State supports this initiative. University officials can leverage each State dollar on a 10-to-1 ratio.

On the capital side of the Governor's budget recommendation, President Rawlings emphasized that a very small amount of support would enable the university to start on two critical renovation projects. Those renovation projects were for biological sciences and engineering. He said \$1 million would enable university officials to move on the

biological sciences project. If they could receive a small amount of State support for the engineering renovation, university officials could leverage those funds with private funds.

ACTION: President Berenstein stated the Board, by general consent, (1) received information on the Governor's FY 1996 and FY 1997 budget recommendations and the Regents FY 1995 legislative program, and (2) approved appropriations bill language regarding National Advanced Driving Simulator.

APPROVAL OF MISCELLANEOUS FEES. The Board Office recommended the Board approve the proposed 1995-96 miscellaneous fees and charges, as presented.

In December the Board approved 1995-96 part-time tuition rates and gave preliminary consideration to proposed 1995-96 miscellaneous fees and charges. The 1995-96 miscellaneous fees and charges were presented for final approval following the statutory 30-day waiting period.

In response to questions raised at the December Board meeting, the Board Office confirmed that all three Regent universities waive the mandatory student health fee for students taking less than 5 credit hours. All three universities stated this waiver is granted automatically and no appeal would normally be required to obtain the waiver.

Information concerning the miscellaneous fees and charges can be found in last month's Minutes (December 1994).

MOTION: Regent Newlin moved to approve the proposed 1995-96 miscellaneous fees and charges, as presented. Regent Pellett seconded the motion.
MOTION CARRIED UNANIMOUSLY.

SALE OF ACADEMIC BUILDING REVENUE BONDS. (a) \$9,140,000, Series S.U.I. 1995. The Board Office recommended the Board, subject to the receipt of acceptable bids:

- (1) Adopt A Resolution providing for the sale and award of \$9,140,000 Academic Building Revenue Bonds, Series, S.U.I. 1995, and approving and authorizing the agreement of such sale and award.
- (2) Adopt A Resolution authorizing and providing for the issuance and securing the payment of \$9,140,000 Academic Building Revenue Bonds, Series, S.U.I. 1995, for the purpose of defraying all or a portion of the cost of constructing, equipping and furnishing a remodeling project for Schaeffer Hall on the campus of the State University of Iowa located in Iowa City, Iowa, and completing fire safety and deferred maintenance projects and making a deposit to the Bond Reserve Fund and paying costs of issuing the Bonds.

The bonds and the projects to be funded with the proceeds were authorized by the General Assembly in 1994. The proceeds from the sale of the bonds would be used to fund the following capital projects at the University of Iowa (project amounts rounded to nearest thousand):

Schaeffer Hall	\$8,499
Fire Safety/Deferred Maintenance	<u>645</u>
Total	\$9,144

Although the amount of the projects totaled \$9,144,002, the bond sale was expected to be \$9,140,000, the largest available amount within the total authorization, given \$5,000 bond denominations.

The receipt and opening of the bids was scheduled for 11:00 a.m., and the award was scheduled for 11:30 a.m. on Wednesday, January 18, 1995.

Bond Specifics:

Average Maturity: 17.87 Years
Bonds Dated: February 1, 1995
Interest Due: January 1 and July 1 commencing July 1, 1995
Principal Due: July 1, 1998-2020 inclusive
Optional Call: Bonds maturing on or after July 1, 2006 are callable commencing July 1, 2005 and any date thereafter at par.
Denomination: \$5,000 and integral multiples thereof

The resolutions to be adopted at this Board meeting were prepared by the Board's bond counsel, the Ahlers law firm.

Mr. Barry Fick, Springsted Vice President, reported on the two bids received. The first bid was from Merrill Lynch and Company for a true interest rate of 6.1489 percent. He said the second bid was from a number of bond firms including Dain Bosworth and Edward D. Jones for a net interest rate of 6.19871 percent. He noted that the bid of Merrill Lynch was at a very favorable rate given the market today; the bond buyer index rate was at 6.53 percent. The bonds were rated A+ by Standard and Poor's.

MOTION:

Regent Collins moved to (1) Adopt A Resolution providing for the sale and award of \$9,140,000 Academic Building Revenue Bonds, Series, S.U.I. 1995, and approving and authorizing the agreement of such sale and award. (2) Adopt A Resolution authorizing and providing for the issuance and securing the payment of \$9,140,000 Academic Building Revenue Bonds, Series, S.U.I. 1995, for the purpose of defraying all or a portion of the cost of constructing, equipping and furnishing a remodeling project for Schaeffer Hall on the campus of the State University of Iowa located in Iowa City, Iowa, and completing fire safety and deferred maintenance projects and making a deposit to the Bond Reserve Fund and paying costs of issuing the Bonds. Regent Tyrrell seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Collins, Dorr, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.
NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

(b) \$5,810,000, Series U.N.I. 1995. The Board Office recommended the Board, subject to the receipt of acceptable bids:

- (1) Adopt A Resolution providing for the sale and award of \$5,810,000 Academic Building Revenue Bonds, Series U.N.I. 1995, and approving and authorizing the agreement of such sale and award.
- (2) Adopt A Resolution authorizing and providing for the issuance and securing the payment of \$5,810,000 Academic Building Revenue Bonds, Series U.N.I. 1995, for the purpose of defraying all or a portion of the cost of constructing, equipping and improving the Wellness Center and the Price Laboratory School Gymnasium to be located on the campus of the University of Northern Iowa, and completing fire safety and deferred maintenance projects and making a deposit to the Bond Reserve Fund, and paying certain costs of issuing the Bonds.

The bonds and the projects to be funded with the proceeds were authorized by the General Assembly in 1994. The proceeds from the November and January bond sales would be used to fund the following capital projects at the University of Northern Iowa (project amounts rounded to nearest thousand):

Price Lab Field House	\$ 2,500
Wellness/Recreation Center	11,500
Fire Safety/Deferred Maintenance	113
Maximum Reserve Deposit	<u>947</u>
Total	\$15,060

Of the \$15,060,894 authorized, \$9,201,460 was issued in Iowa College Savings Bonds in November, leaving a total of \$5,859,434. The amount of the issue (\$5,810,000) was less than the maximum remaining authorization because the reserve requirement for the combination of the November and January issues is less than originally authorized.

The receipt and opening of the bids was scheduled for 11:00 a.m., and the award was scheduled for 11:30 a.m. on Wednesday, January 18, 1995.

Bond Specifics:

Average Maturity:	17.82 Years
Bonds Dated:	February 1, 1995
Interest Due:	January 1 and July 1 commencing July 1, 1995

Principal Due: July 1, 1999-2020 inclusive
Optional Call: Bonds maturing on or after July 1, 2006 are callable commencing July 1, 2005 and any date thereafter at par.
Denomination: \$5,000 and integral multiples thereof

The resolutions to be adopted at this Board meeting were prepared by the Board's bond counsel, the Ahlers law firm.

Mr. Fick reported on the bids for the remaining authorization for University of Northern Iowa. He said two bids were received. The winning bid was again submitted by Merrill Lynch at a rate of 6.1539 percent. A syndicate led by Dain Bosworth submitted the second bid for a rate of 6.19518 percent.

MOTION: Regent Collins moved to (1) Adopt A Resolution providing for the sale and award of \$5,810,000 Academic Building Revenue Bonds, Series U.N.I. 1995, and approving and authorizing the agreement of such sale and award. (2) Adopt A Resolution authorizing and providing for the issuance and securing the payment of \$5,810,000 Academic Building Revenue Bonds, Series U.N.I. 1995, for the purpose of defraying all or a portion of the cost of constructing, equipping and improving the Wellness Center and the Price Laboratory School Gymnasium to be located on the campus of the University of Northern Iowa, and completing fire safety and deferred maintenance projects and making a deposit to the Bond Reserve Fund, and paying certain costs of issuing the Bonds. Regent Tyrrell seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Collins, Dorr, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.
NAY: None.
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

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

UNIVERSITY OF IOWA

University officials requested approval to renew its lease as lessee with Mercy Health Center, Dubuque, Iowa, for the university's use of 228 square feet of space at the rate of \$261.25 per month (\$13.75 per square foot, \$3,135 per year), for a two-year period;

University officials requested approval to renew its lease as lessee with Jennie Edmundson Memorial Hospital, Council Bluffs, Iowa, for the university's use of 472 square feet of space at the rate of \$340 per month (\$8.64 per square foot, \$4,080 per year), for a two-year period; and

University officials requested approval to enter into a lease as lessee with Slavens Properties, Inc., Bettendorf, Iowa, for the university's use of 2,933 square feet of space at the rate of \$3,544 per month (\$14.50 per square foot, \$42,528 per year), for a three-year period.

IOWA STATE UNIVERSITY

University officials requested approval to enter into a lease as lessee with Des Moines Area Community College for the university's use of 4,500 square feet of space at the rate of \$1,556 per month (\$4.15 per square foot, \$18,672 per year) for the first seven months, increasing to \$3,150 per month for the remainder of the lease term (\$8.40 per square foot, \$37,800 per year), for a five-year period;

University officials requested approval to enter into lease agreements as lessor for business incubator space in the Iowa State Innovation System at the ISU Research Park with the following tenants:

With Future Technologies, Inc., for its use of 187 square feet of space at the rate of \$225 per month (\$14.44 per square foot, \$2,700 per year), for a six-month period;

With Pefftronics Corporation for its use of 400 square feet of space at the rate of \$500 per month (\$15 per square foot, \$6,000 per year), for a five-month period; and

University officials requested approval to enter into a cash farm lease and Memorandum of Understanding with the Pocahontas Soil and Water Conservation District for the university's use of 60 acres of farm land located in Pocahontas County,

Iowa, at the rate of \$40 per acre for all tillable acres used by the university, for a five-year period.

UNIVERSITY OF NORTHERN IOWA

University officials requested approval to renew its lease as lessee with Rick and Barb Dripps for the university's use of 7,703 square feet of warehouse space for use by the Iowa Waste Reduction Center at the rate of \$1,385 per month (\$2.16 per square foot, \$16,620 per year).

MOTION:

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

AYE: Berenstein, Collins, Dorr, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.

NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

REGISTERS OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. (a)
University of Iowa. The Board Office recommended the Board approve the university's capital register, as presented.

PROJECT DESCRIPTIONS AND BUDGETS

University Hospitals and Clinics--Pomerantz Family Pavilion \$765,695
Pneumatic Tube System Installation
Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 630,200
Architectural/Engineering Support	40,965
Planning and Supervision	31,510
Contingency	<u>63,020</u>
TOTAL	\$ 765,695

University officials requested approval of a project description and budget for the extension of the University Hospitals pneumatic tube system to serve the ambulatory care clinics to be developed in the Pomerantz Family Pavilion. The project will also re-route several branches of the existing system to resolve present difficulties in accessing system equipment for maintenance and repair.

* * * * *

University officials reported nine new 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.

ARCHITECT/ENGINEER AGREEMENTS

Biological Sciences Renovation/Replacement
Brooks Borg and Skiles, Des Moines, Iowa

University officials requested approval of the selection of Brooks Borg and Skiles to provide design services for the project. The university received expressions of interest from 15 firms to provide design services for the project. Two firms, Neumann Monson of Iowa City, and Brooks Borg and Skiles of Des Moines, were selected for interviews with the Architect Selection Committee.

The committee and representatives of the building users interviewed the two firms on December 16, 1994. Based on these interviews, the committee has recommended the selection of Brooks Borg and Skiles to provide design services for the project. The committee's recommendation was based on the firm's extensive experience with large scale laboratory projects and its record of success with previous University of Iowa

projects. The firm also prepared the Master Plan for the project, which has served as the foundation for the university's capital request.

Regent Pellett asked if university officials were premature in requesting approval of an architectural agreement for the biological sciences renovation project. Vice President True responded that he felt they were not premature. He said they had not spent any money on the project. The process takes time. If the Board approved the selection of the architect, university officials would negotiate an agreement. They would then come back to the Board to make the decision as to whether or not to proceed preliminarily. He said the issue was still before the General Assembly. There would be enormous value if they could accomplish the planning this calendar year.

Schaeffer Hall--Remodeling and Renewal \$625,865
Herbert Lewis Kruse Blunck, Des Moines, Iowa

University officials presented the negotiated agreement in the amount of \$625,865 for Board approval. The design work for this project will consider the historic nature of Schaeffer Hall as well as the needs of the campus. The building must remain partially occupied during the construction phase because of the need for office and classroom space.

The agreement provides for a fixed fee of \$532,875, which was 8.7 percent of the construction budget of \$6,125,000. Additional project supervision, needed because of an extended construction period due to continual occupancy of the building, will require an additional fee of \$42,990. Reimbursables are estimated at \$50,000.

Main Campus Central Chilled Water Study \$190,000
Black and Veatch, Kansas City, MO

Since the chilled water system is nearing its capacity, university officials believe the existing system should be evaluated. The evaluation would include energy sources, distribution, efficiency of operation and cost effectiveness, as well as future needs and applications. The study will focus primarily on the east campus, leading to the development of a long-range plan for cooling this portion of campus. The study will examine the relative cost and availability of dedicated building chillers versus the use of chilled water for cooling. The study will also examine capacity and demand load projections and the possible integration of the west and east chilled water systems.

The agreement provides for a fee of \$190,000, including reimbursables.

Main Campus Steam Distribution Study--Phase II \$64,000
Stanley Consultants, Muscatine, Iowa

University officials requested approval to enter into a subsequent agreement with Stanley Consultants to continue the study. Phase II of the study will examine the relative condition of the distribution system and relate the existing steam distribution system to projected loads for the next 10 years. This phase will provide a more comprehensive evaluation than previous studies and will determine and prioritize the various components to be accomplished. The study will also provide a computer model to assist in isolating existing problems and determining new facilities.

The agreement with Stanley Consultants provides for a fee of \$64,000, including reimbursables.

Amendments:

<u>Dental Science Building--Reconstruct Visitor Parking Lot</u>	Amendment #2	<u>\$5,650</u>
Shoemaker and Haaland, Coralville, Iowa	Amendment #3	<u>\$3,700</u>

University officials requested approval of Amendments #2 and #3 to the agreement with Shoemaker and Haaland for design services for improvements to Parking Lot 33 west of the Dental Science Building. Amendment #2 in the amount of \$5,650 will provide for engineering services for the construction of new telecommunications cable from the Dental Science Building to Carver-Hawkeye Arena which is included as part of this project. Amendment #3 in the amount of \$3,700 will provide for engineering services for construction of a new right turn lane at the Main Drive intersection with Elliott Drive.

Amendments #2 and #3 will not result in an increase in the total project budget.

<u>Kinnick Stadium--Press Box Improvements</u>	Amendment #2	<u>\$3,500</u>
RDG Bussard Dikis, Des Moines, Iowa	Amendment #3	<u>\$4,383</u>

University officials requested approval of Amendments #2 and #3 to the agreement with RDG Bussard Dikis for design services for improvements to the Kinnick Stadium Press Box. Amendment #2 in the amount of \$3,500 will provide for an adjustment in the reimbursable expenses for the printing of construction documents and related expenses for the original bidding of the project. Amendment #3 in the amount of \$4,383 will provide for additional design services resulting from an expanded project scope which will incorporate fire safety-related work into the project.

Amendments #2 and #3 will not result in an increase in the total project budget.

President Berenstein noted that university officials were holding amendment 2 to the Kinnick Stadium press box to the amount of \$3,500. He said university officials were to be commended for that.

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West Campus Steam Distribution Improvements and Extensions \$9,392
Shive-Hattery Engineers and Architects, Iowa City, Iowa

CONSTRUCTION CONTRACTS

West Campus Parking Ramp Expansion \$6,523,289
Award to: McComas-Lacina Construction Company, Inc., Iowa City, Iowa
(3 bids received)

Main Power Plant--Modification of Boiler No. 11 \$6,661,835
Award to: Pyropower Corporation, San Diego, CA
(2 bids received)

Vice President True referred to the \$6.6 million project for modifications to boiler #1. He thanked Vice President Madden for allowing Bill Whitman to assist in both the review and selection process. He said it improved substantially the productivity of the university's selection process.

MOTION: Regent Collins moved to approve University of Iowa's capital register. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY

(b) Iowa State University. The Board Office recommended the Board approve the university's capital register, as presented.

She said she failed to understand how the costs could be 50 percent over the original project budget.

Vice President Madden responded that additional mechanical/electrical work was added to the project because funds were now available to expand the project. Originally they were not sure the funding would be available.

* * * * *

University officials reported four new 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.

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

Parks Library--Room 430--Conservation and Restoration Laboratory \$33,300
Thorson Brom Broshar Snyder, Waterloo, Iowa

University officials requested approval to enter into an agreement with Thorson Brom Broshar Snyder to provide design services through completion of the project. The agreement provides for a fee of \$33,300, including reimbursables.

Amendments:

Engineering Teaching and Research Complex Amendment #2 \$88,000
Brooks Borg and Skiles, Des Moines, Iowa

University officials requested approval of Amendment #2 to the agreement in the amount of \$88,000. The amendment will provide for revision of the exterior design of the facility.

While work on the schematic design was progressing, the university determined, after careful review and deliberation, that the originally proposed exterior expression of the building complex was not appropriate for the project or the campus site. The university directed the design team to make the necessary adjustments to the project design to address these concerns.

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

Engineering Teaching and Research Complex \$24,000
Brooks Borg and Skiles, Des Moines, Iowa

APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS

Maucker Union--Roof/Pedestrian Plaza

Maucker Union was constructed in 1969 and expanded in 1989. The facility is predominantly a concrete structure with a roof that serves as a pedestrian plaza and as a setting for various group events. The roof of the original building leaks extensively and in numerous locations. The overlaying pedestrian plaza with seating areas and lighting is deteriorated and becoming unsafe. The building exterior needs to be made watertight to preserve the interior of the building and prolong the life of the structure.

It was not expected that the project would change to any significant degree from the design presented. It was requested that the Board waive further design reviews. Should significant design changes become necessary, the university will request another opportunity to present the plans.

PROJECT DESCRIPTIONS AND BUDGETS

UNI-Dome Emergency Repairs--Phases I and II \$500,000
Source of Funds: Insurance, Dome Surplus Funds, and
Building Repair Funds

<u>Preliminary Budget</u>	
Contracts/Purchase Orders	\$ 400,000
Consultant/Design Services	20,000
UNI Plant Services	40,000
Contingencies	<u>40,000</u>
 TOTAL	 \$ 500,000

University officials requested approval of a project description and budget in the amount of \$500,000 for repairs to the UNI-Dome roof. The air-supported, fiberglass roof of the UNI-Dome deflated during a winter storm on December 7, 1994. The storm caused damage in numerous locations to the roof fabric and damage to many mechanical fasteners. In addition, various building systems (lightning protection, safety lanyards, water, sound, light and heating fabric ducts) may have also been damaged.

Through the cooperative efforts of the contractor, consultant, insurance company and university, the university plans to have the UNI-Dome back in operation as soon as possible depending on favorable weather and availability of materials.

Vice President Conner commented on the UNIdome repair project. He said the consultants would be returning the latter part of January for a final inspection. The facility was in use Saturday night and they were happy to have it back up.

West Gym--East Plaza \$266,000
Source of Funds: Building Repair Funds

Preliminary Budget

Contracts/Purchase Orders	\$ 222,000
Consultant/Design Services	34,000
Contingencies	<u>10,000</u>
 TOTAL	 \$ 266,000

University officials requested approval of a project description and budget for the reconstruction of the plaza area located east of the West Gym. The reconstruction is part of the facilities master plan for the campus. The area has been used to provide vehicular access to the library and campanile construction projects. The project will include the relocation of pedestrian walks, lighting, and a storm sewer.

* * * * *

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

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

Russell Hall--North Parking Lot \$46,000
Kirkham Michael and Associates, Urbandale/Cedar Falls, Iowa

University officials requested approval to enter into agreement with Kirkham Michael and Associates to provide design services for the project. The firm has provided services for similar parking lot and street reconstruction projects at the university.

The agreement provides for a fee of \$46,000, including reimbursables.

West Gym--East Plaza \$34,000
Kirkham Michael and Associates, Urbandale/Cedar Falls, Iowa

University officials requested approval to enter into agreement with Kirkham Michael and Associates to provide design services for the project. The firm has provided services for similar parking lot and street reconstruction projects at the university.

The agreement provides for a fee of \$34,000, including reimbursables

CONSTRUCTION CONTRACTS

Library Addition--Lounge Seating \$57,962
Westnofa USA, Inc., Racine, WI
(5 bids received)

UNI-Dome Emergency Repairs \$377,000
Birdair, Inc., Amherst, NY

MOTION: Regent Newlin moved to approve the university's capital register, as presented. Regent Dorr seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Iowa School for the Deaf. The Board Office recommended the Board approve the school's capital register, as presented.

Iowa School for the Deaf officials presented the following project description and budget for Board approval.

Residence Halls--Kitchen Remodeling \$27,500
Source of Funds: FY 1995 Building Repair Funds

This project will remodel the food preparation areas at three different sites in the residence halls to meet the requirements recommended by the Department of Health. The kitchen areas are used in the school's Independent Living Curriculum.

MOTION: Regent Collins moved to approve the school's capital register, as presented. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

AGREEMENT FOR PROFESSIONAL MEDICAL SERVICES, ISD. The Board Office recommended that the Board approve the agreement for professional medical services at the Iowa School for the Deaf, as presented.

Iowa School for the Deaf officials requested approval of the agreement with Dr. Philip Meyer to provide medical services during the current academic year. The monthly fee of \$1,040 represented a four percent increase over the past academic year.

The agreement was reviewed by staff in the Office of the Attorney General.

Superintendent Johnson noted that this was the first increase in the agreement in approximately 4 years.

MOTION: Regent Johnson-Matthews moved to approve the agreement for professional medical services at the Iowa School for the Deaf, as presented. Regent Collins seconded the motion. MOTION CARRIED UNANIMOUSLY.

PRESIDENTIAL SEARCH, UNIVERSITY OF IOWA. (a) Appointments to Campus Search and Screening Committee. The Board Office recommended the Board (1) receive the report on the presidential search at the University of Iowa and (2) approve the membership of the University of Iowa Presidential Search & Screen Advisory Committee and emphasize that confidentiality in the search should be maintained to the fullest extent permitted by law.

Last month the Board of Regents accepted the resignation of Hunter Rawlings III as President of the University of Iowa, effective July 1, 1995, and approved policies and procedures for the selection of the next President of the University of Iowa consistent with the Board's "Policy on the Selection of Institutional Heads". This process was approved by the Board with the provision that the process shall provide for confidentiality of the candidates to the fullest extent possible under the Code of Iowa.

Committee Membership

At the December Board Meeting, the Board of Regents instructed the Chair of the Search and Screen Advisory Committee and the President of the University of Iowa Faculty Senate to jointly nominate members of Presidential Search and Screen Advisory Committee in consultation with the Board President based on a general listing of membership approved by the Board. The proposed membership was presented to the Board at the January Board meeting, as follows:

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January 18, 1995

RECOMMENDED APPOINTMENTS BY COMMITTEE CHAIR AND FACULTY
SENATE PRESIDENT

Steve M. Collins, Chair of the Search Advisory Committee, and Richard R. Hurtig, President of the Faculty Senate, jointly recommended the following list of persons to serve on the Presidential Search & Screen Advisory Committee. All of the suggested individuals have indicated their willingness and ability to serve if appointed by the Board of Regents.

UI Faculty and Administration

Steve M. Collins
Professor
Electrical and Computer Engineering and Radiology

Geraldene Felton
Professor and Dean
College of Nursing

Alan G. Goodridge
Professor and Head
Biochemistry, College of Medicine

Michael D. Green
Professor
College of Law

Donald D. Heistad
Distinguished Professor in Medicine
College of Medicine
Richard R. Hurtig
Associate Professor
Speech Pathology and Audiology, Liberal Arts

Gerhard Loewenberg
UI Foundation Distinguished Professor in Political Science
College of Liberal Arts

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John R. Menninger
Professor
Biological Sciences, Liberal Arts

Adalaide Morris
Professor
English, Liberal Arts

Sara L. Rynes
John F. Murray Professor of Management and Organizations
College of Business Administration

UI Staff

Ruth C. Harkins
President, Staff Council
Charge Nurse, Radiation-Oncology
University Hospitals and Clinics

Janice Simmons-Welburn
Head, Information and Instructional Services
University Library

Allan L. Young
Clerk IV
Personnel

UI Students

Leslie D. (Lea) Haravon
Graduate Teaching Assistant
Sport, Health, Leisure and Physical Studies

Aimee Kao
M.D./Ph.D. Student
College of Medicine

Kristen A. Mensing
Undergraduate
Social Work Studies

UI Alumni

Jill N. McLaughlin
Chair, University of Iowa Foundation Board of Directors

Nancy B. Willis
Member, University of Iowa Foundation Board of Directors

Board of Regents Office

Robert J. Barak (ex officio)

RECOMMENDED APPOINTMENTS OF PRESIDENT BERENSTEIN

President Berenstein recommended that the following persons be appointed to the search committee:

Susan R. Johnson
Professor
Obstetrics & Gynecology

James Van Allen
Alumnus & Emeritus Professor
Physics and Astronomy

Chalmers W. (Bump) Elliott
Past Director
Intercollegiate Athletics-Men's

President Berenstein stated this was his first experience with this type of endeavor. He said he was fortunate that Professor Collins was serving as chairman of the search committee. He has had no less than 25 telephone conversations with Professor Collins and was pleased that he was a very conscientious fellow. Professor Collins had worked diligently with Professor Hurtig and Mr. Richey in forming the guidelines for this presidential search.

Professor Collins stated the task for determining nominees proved to be very challenging. There were a number of issues that needed balanced. Interviews were held with potential student members of the committee. He expressed appreciation to President Berenstein for being very generous with his time. Professor Collins said the set of 21 nominees before the Board was a very fine one. All were outstanding individuals.

Regent Hendricks asked how many of the nominees served on the prior University of Iowa presidential search committee. Professor Collins responded that two of the

nominees submitted by him and one of President Berenstein's nominees had served on the prior committee.

President Berenstein stated, as a personal aside, that at his first Regents meeting James Van Allen was introduced to the Regents as a distinguished professor. President Berenstein said he believes that no one else in the state was more distinguished than Professor Van Allen. When he called the professor to ask him to serve on the committee, Professor Van Allen indicated that he was flattered and honored. President Berenstein said he was honored that the professor felt that way.

President Berenstein said as many as 200 people were interested in serving on the committee. He was delighted with the composition of the committee and felt the people who will serve will make great contributions. He was amazed how many people were interested in serving and suggesting people to serve. He said it was a tribute to the university and the Regent system, and he was delighted to be part of the process.

Regent Collins said it was very helpful to have the background information provided by the Board Office. There was a cross section of every possible interested element. The composition of the committee by category as well as by individual was excellent.

President Berenstein said it was important to allow all the different facets of the university family to have a say in who will be the next president.

MOTION:

Regent Collins moved to (1) receive the report on the presidential search at the University of Iowa and (2) approve the membership of the University of Iowa Presidential Search & Screen Advisory Committee and emphasize that confidentiality in the search should be maintained to the fullest extent permitted by law. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Berenstein thanked Professors Collins and Hurtig for all their assistance.

(b) Interviews with Search Firms and Selection of Finalist. The Board Office recommended the Board (1) hear presentations of recommended search firms and (2) select a firm to assist in the University of Iowa presidential search and emphasize that confidentiality in the search should be maintained to the fullest extent permitted by law.

In December, the Board authorized the Executive Director with the approval of the Board President to identify an executive search firm. Since the December Board meeting, the Board Office undertook a national search to identify appropriate search

firms. Using information provided by the Association of Executive Search Consultants, Inc., a national association of executive consultants, the Board Office identified a list of firms that purported to conduct searches for university presidents. These firms were contacted and asked to provide specific details regarding the firm, their experience with university presidential searches, fees and references. From this list two firms were identified that had extensive positive experiences in university president searches. The two firms were asked to make a presentation to the Board of Regents at this meeting. The two firms were Spencer Stuart Executive Search Consultants and Korn/Ferry International, both of Dallas, Texas. Information concerning each firm's experience and charges was provided in the docket materials.

Mr. Richey made the recommendation that confidentiality be maintained to the fullest extent of the law.

Ron Zera, Spencer Stuart Executive Search Consultants, provided the Regents with information concerning his firm and its experience with university presidential searches, as well as information concerning his tenure with the firm.

Professor Collins stated there were approximately 400 presidential searches in the country taking place at this time. What fraction would be in competition with the search underway at the University of Iowa? Mr. Zera responded that no more than four or five would be in direct competition with the University of Iowa.

Regent Newlin asked for the main strengths Mr. Zera and his firm would bring to the search process. Mr. Zera responded that he brought an appreciation for Iowa. His firm is one of the main international search firms today. He is the managing partner of the higher education process.

Regent Collins asked about fees and costs. Mr. Zera responded that the standard fee was one-third of total cash compensation. However, he proposed a flat fee of \$45,000 plus out-of-pocket expenses.

Regent Pellett asked how long Mr. Zera had been with Spencer Stuart. Mr. Zera said he had been with the firm five years, and in the business for 15 years with two other firms.

President Berenstein asked how Mr. Zera would work with the university search committee which was composed of faculty, staff and students. Mr. Zera noted that other university search committees would be envious of Iowa's faculty representation of 16 faculty on the committee versus five faculty on the Bowling Green search committee. He said working with the committee was critical to the equation. He would attend all meetings of the committees and subcommittees. His role would be as the "arms and

legs" of the committee. He would do the preliminary work. He suggested the Regents talk to current and former clients about how he works with search committees.

President Berenstein asked for a rough timetable if Mr. Zera's firm were to be chosen for this assignment. Mr. Zera responded that this afternoon he would sit down with the chair of the search committee and begin planning.

President Berenstein asked if the first meeting with the campus committee would take place by the end of this month. Mr. Zera said absolutely; his schedule was their schedule.

President Berenstein asked if after the applicants had been narrowed down for the first round of consideration whether Mr. Zera or members of the committee would go out and talk to the candidates or have the candidates come on campus. Mr. Zera said he has done initial interviews in several ways, which he described.

Regent Hendricks asked if 100 percent of Mr. Zera's time would be devoted to this search. Mr. Zera responded that it would not. He was currently involved in five searches. He said he would not take on any additional higher education assignments without permission from the Board.

Regent Dorr asked who administers the overall search process. Mr. Zera responded that a majority of the administration was done by the search committee; however, he was sensitive to the search committee's time. If desired, he could draft policy specifications and provide working documents. He also has done the administration and used the institution's letterhead.

Bill Funk, Korn/Ferry International, provided the Regents with information concerning his firm and its experience with university presidential searches, as well as information concerning his tenure with the firm.

Regent Collins asked for the cost and expenses if Korn/Ferry International were chosen to conduct the search for a president at the University of Iowa. Mr. Funk responded that the standards of the market call for a retainer based on one-third of the first year's total cash compensation. He said that was not a meaningful measure to apply to a search in higher education because it becomes very costly. Therefore, he established a flat fee of \$45,000 as the retainer. They will also charge for all out-of-pocket or allocated expenses which would include costs for reproduction, overnight delivery and telephone charges.

President Berenstein asked how the Korn/Ferry firm would handle a situation where the candidates were narrowed down to the final four candidates, none of whom the Board was interested in interviewing. Mr. Funk said he was pleased that he had never had

that experience. He said the firm would work with the Board for as long as required to find candidates with which they were satisfied, charging only for out-of-pocket expenses.

Professor Collins asked Mr. Funk to comment on his experience with presidential searches for institutions with major health science centers. Mr. Funk responded that his firm has three specialty practices. One is the education and not-for-profit practice. The second is the health care practice. There are searches for which he gets involved with the health care practice group. He said that group does all the medical school dean and health science searches. Jack Moxley heads that practice and has been with the firm for 8 years. Mr. Moxley has two to three of those types of searches underway at any one time. Mr. Funk frequently teams up with Mr. Moxley. Searches that Mr. Funk personally has performed for universities with major health science centers included Indiana University, Texas Tech University, University of Arkansas system, University of Illinois, University of Missouri at Columbia, University of Nebraska and University of New Mexico. He said individuals who have not had that experience or exposure can find it a challenging component of a presidential search.

President Berenstein asked Mr. Funk to review his current assignments. Mr. Funk responded that he is currently conducting four university presidency searches, all of which are in different states of completion. With regard to the Clemson search, four final candidates are being interviewed on campus this week. He would be there Friday morning for the press conference announcing the new president of Clemson. He will meet with Southern Methodist University's search committee that night. They have interviewed eight candidates in the last 10 days and would that night narrow the candidates to 2 to 4. He hopes to complete that search very early in February. A third search Mr. Funk is involved in is for the president of the University of Illinois. He will be there a week from tomorrow and will submit the names of six to seven individuals to the Board of Regents for interviewing. The most recent search for which Mr. Funk has been hired is for the President of Worcester Polytech in Worcester, Massachusetts, which is a very niche-oriented institution, focused on sciences and engineering. He said the latter search would not be a competitor.

Regent Pellett asked how long Mr. Funk had been with Korn/Ferry. Mr. Funk responded that he had been with the firm for three years. He was with Heidrick and Struggles for 12 years immediately prior to joining Korn Ferry.

President Berenstein asked Mr. Funk if his firm was selected to perform this presidential search, would he anticipate having a meeting with Professor Collins and the committee by the end of the month? Mr. Funk responded affirmatively, and said he would welcome that.

Mr. Richey stated that Mr. Funk had received a copy of the actions taken by the Board of Regents last month outlining specific duties of the search firm. He asked if Mr. Funk had any questions. Mr. Funk said he found that all of the action steps were activities his firm typically does, and he would be quite eager to do so for the Iowa Board of Regents.

President Berenstein asked that the Board recess for 10 minutes and then reconvene to select the search firm.

Following a brief recess, the following took place:

MOTION: Regent Furgerson moved to hire the firm of Korn/Ferry International to assist in the University of Iowa presidential search in accordance with the financial conditions outlined in the docket memorandum. Regent Tyrrell seconded the motion.

Regent Dorr said he wanted it understood that Mr. Funk would be the individual in his firm charged with this assignment. President Berenstein said the representation was that Mr. Funk would be the individual in his firm who was in charge.

VOTE ON THE MOTION: Motion carried unanimously.

President Berenstein asked that Mr. Funk be brought back into the room. When he was present, President Berenstein welcomed him aboard. He asked that Mr. Funk take a few minutes to meet with Professor Collins before leaving the meeting. He also asked that he work with Mr. Richey concerning the financial arrangements.

BOARD MEETINGS SCHEDULE. The Board Office recommended the Board approve the Board Meetings Schedule.

February 15-16, 1995	University of Northern Iowa	Cedar Falls
March 15-16	Iowa State University	Ames
April 19-20	University of Iowa	Iowa City
May 17-18	Iowa School for the Deaf	Council Bluffs
June 21-22	University of Northern Iowa	Cedar Falls
July 19-20	Iowa State University	Ames
September 20-21	University of Iowa	Iowa City
October 18-19	University of Northern Iowa	Cedar Falls
November 15-16	Iowa State University	Ames
December 13-14	To be determined	Des Moines

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January 17, 1996	Telephonic	
February 21-22	University of Iowa	Iowa City
March 20-21	University of Northern Iowa	Cedar Falls
April 17-18	Iowa State University	Ames

ACTION: The Board Meetings Schedule was approved, by consent.

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

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

MOTION: Regent Tyrrell moved to enter into closed session.
Regent Dorr seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Collins, Dorr, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.
NAY: None.
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 2:30 p.m. on Wednesday, January 18, 1995, and adjourned therefrom at 2:55 p.m. on that same that.

ADJOURNMENT.

The meeting of the State Board of Regents adjourned at 2:55 p.m., on Wednesday, January 18, 1995.

GENERAL
January 18, 1995

R. Wayne Richey
Executive Director