

The State Board of Regents met on Tuesday and Wednesday, July 22 and 23, 1997, at Iowa State University, Ames, Iowa. The following were in attendance:

	<u>July 22</u>	<u>July 23</u>
<u>Members of State Board of Regents</u>		
Mr. Newlin, President	All sessions	All sessions
Ms. Ahrens	Excused	Excused
Mr. Arenson	All sessions	All sessions
Mr. Fisher	All sessions	All sessions
Dr. Kelly	All sessions	All sessions
Mrs. Kennedy	All sessions	All sessions
Mr. Lande	Excused at 3:50 p.m.	All sessions
Mrs. Pellett	All sessions	All sessions
Mrs. Smith	All sessions	All sessions
<u>Office of the State Board of Regents</u>		
Executive Director Richey	All sessions	All sessions
Deputy Executive Director Barak	All sessions	All sessions
Director Houseworth	All sessions	All sessions
Director Stadlman	All sessions	All sessions
Associate Director Elliott	All sessions	All sessions
Associate Director Racki	All sessions	All sessions
Assistant Director Lodge	Excused	All sessions
Assistant Director Tiegs	All sessions	Excused
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Coleman	All sessions	Excused at 2:01 p.m.
Provost Whitmore	All sessions	Excused at 2:01 p.m.
Vice President Skorton	Excused	Arrived at 10:30 a.m.
Vice President True	All sessions	Excused at 2:01 p.m.
Associate Vice President Small	All sessions	Excused at 2:01 p.m.
Legislative Counsel Stork	All sessions	Excused at 2:01 p.m.
<u>Iowa State University</u>		
President Jischke	All sessions	Excused at 2:03 p.m.
Provost Kozak	All sessions	Excused at 2:03 p.m.
Vice President Madden	All sessions	Excused at 2:03 p.m.
Executive Assistant to President Dobbs	All sessions	Excused at 2:03 p.m.
Assistant to the President Bradley	All sessions	Excused at 2:03 p.m.
Director McCarroll	All sessions	Excused at 2:03 p.m.
Associate Director Steinke	All sessions	Excused at 2:03 p.m.
<u>University of Northern Iowa</u>		
President Koob	All sessions	Excused at 12:00 p.m.
Vice President Conner	All sessions	Excused at 12:00 p.m.
Vice President Follon	All sessions	Excused at 12:00 p.m.
Executive Assistant to President Geadelmann	All sessions	Excused at 12:00 p.m.
Director Chilcott	All sessions	Excused at 12:00 p.m.
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	Excused at 11:53 a.m.
Director Heuer	All sessions	Excused at 11:53 a.m.
Interpreter Fowler	All sessions	Excused at 11:53 a.m.
Interpreter Reese	All sessions	Excused at 11:53 a.m.

GENERAL
July 22-23, 1997

Iowa Braille and Sight Saving School

Superintendent Thurman
Director Utsinger
Director Woodward

All sessions
All sessions
All sessions

Excused at 11:57 a.m.
Excused at 11:57 a.m.
Excused at 11:57 a.m.

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Tuesday and Wednesday, July 22 and 23, 1997.

APPROVAL OF MINUTES OF BOARD MEETING OF JUNE 18-19, 1997. The Board Office recommended the Board approve the minutes.

President Newlin asked for additions or corrections to the minutes.

MOTION: Regent Lande moved to approve the minutes of the June 18-19, 1997, meeting, as written.
Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE SESSION. President Newlin requested the Board convene in closed session pursuant to the Code of Iowa section 21.5(1)(c) to discuss matters with counsel which are either in litigation or where litigation is imminent; and pursuant to Code of Iowa section 21.5(1)(i) upon the requests of employees whose performance was being considered.

MOTION: Regent Kennedy moved to enter into closed session. Regent Smith seconded the motion, and upon the roll being called, the following voted:
AYE: Arenson, Fisher, Kelly, Kennedy, Lande, Newlin, Pellett, Smith.
NAY: None.
ABSENT: Ahrens.

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session at 1:13 p.m. on Tuesday, July 22, 1997, and recessed therefrom at 2:50 p.m.; reconvened at 4:29 p.m., and recessed therefrom at 4:53 p.m.; reconvened at 4:55 p.m. and recessed therefrom at 6:30 p.m.; reconvened on Wednesday, July 23, 1997, at 2:11 p.m., recessed therefrom at 4:00 p.m.; reconvened at 4:01 p.m., and adjourned therefrom at 5:22 p.m. on that same date.

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

Approve appointments to the Iowa School for the Deaf Advisory Committee and the Iowa Braille and Sight Saving School Advisory Committee as nominated by the university presidents;

Approve the Board meetings schedule;

Approve proposed calendars for school years (including summer sessions) through Fall 2002 for the University of Northern Iowa;

Refer the post-audit report for the Bachelor of Arts major in Middle School/Junior High School Education at the University of Northern Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; and

Refer the post-audit report for the Bachelor of Arts major in Russian at the University of Northern Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

MOTION: Regent Lande moved to approve the consent docket, as presented. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a) New Center: Center for Macular Degeneration - University of Iowa. The Board Office recommended the Board receive the report to establish a Center for Macular Degeneration at the University of Iowa.

The proposed Center for Macular Degeneration at the University of Iowa will be entirely supported from external grants. The university will assemble individuals with outstanding

clinical and research expertise in the field of macular degeneration to address macular degeneration, the most common cause of legal blindness in the United States.

The proposed center will be the first of its kind and will be in a strong position to attract research funding. The center will offer an array of services including clinical, educational, counseling and medical.

ACTION: President Newlin stated the Board received the report on the establishment of a Center for Macular Degeneration at the University of Iowa, by general consent.

(b) New Degree Program: B.S. in Oral Health Science - University of Iowa. The Board Office recommended the Board approve the proposed Bachelor of Science degree completion program in Oral Health Science at the University of Iowa.

In 1992, when the Board voted to discontinue the Bachelors Degree in Dental Hygiene, the University of Iowa was asked to explore some kind of a 2+2 program (2 years at a community college plus 2 years at the University of Iowa) with the community colleges to accommodate the needs of individuals in this field. In response, university officials proposed a program that would offer holders of the Associated Arts in Science degrees in dental health an opportunity to earn a Bachelor's degree. This arrangement will provide benefits for both the students and the university.

The program was reviewed by the Board Office and meets the Board's criteria for new programs.

Regent Fisher asked how the proposed program was different from the dental hygiene degree that was discontinued. Dean Johnsen responded that the new program would allow someone with an associate degree in dental hygiene to complete the requirements to receive a bachelor's degree. Their two years of study at the University of Iowa would be concentrated in the liberal arts. He said the proposed program would allow a graduate from any dental associate degree program in the state to receive a bachelor's degree. An individual with an associate degree from a dental laboratory technician program could also receive a bachelor's degree. University officials are trying to maximize the transfer of credits.

Regent Lande asked which community colleges have a dental hygiene program. Dean Johnsen responded that there are dental hygiene programs at the community colleges in Waterloo, Ankeny, Council Bluffs and Cedar Rapids.

Regent Pellett asked whether the two years of liberal arts courses from the University of Iowa would be provided on campus or off campus. Dean Johnsen responded that at this time the courses were listed at the campus. In the future, university officials would like to offer the program off campus.

Regent Pellett asked if non-traditional students would be the primary source of students. Dean Johnsen responded affirmatively. He said he did believe this would be a large program. There is nowhere else in the state where this type of program is offered.

Regent Arenson asked if the program would be conducted in the College of Dentistry. Dean Johnson responded that some of the courses would be offered in the College of Dentistry but most of the courses would be offered elsewhere on campus.

Regent Kennedy asked what college is absorbing the program. Dean Johnsen responded that the students would become general students. The degree will be awarded by the College of Dentistry.

Regent Kelly asked what other schools besides one in Missouri are giving out similar type degrees. Dean Johnsen responded that no other Big 10 schools offer similar degrees. He offered to find out how many other schools have similar degree programs.

Regent Kelly asked if the dental faculty believe this is a legitimate degree. Dean Johnsen responded affirmatively. He said faculty believe that students with specific skills in the dental hygiene program can get a bachelor's degree through this program. He said the leadership of the faculty was also supportive.

MOTION: Regent Lande moved to approve the proposed Bachelor of Science degree completion program in Oral Health Science at the University of Iowa. Regent Arenson seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) New Degree Program: Ph.D. in Women's Studies - University of Iowa. The Board Office recommended the Board approve the request to establish a Ph.D. program in Women's Studies at the University of Iowa.

University of Iowa officials proposed a Ph.D. program in Women's Studies to meet the state and national need for persons with doctoral degrees in this field. The proposal was reviewed by the Board Office and the Interinstitutional Committee on Educational Coordination, and both recommended approval. The program will have limited enrollment of 12-15 students and will build primarily on courses, resources, and faculty

already in place at the University of Iowa. The program meets the Board's minimum expectations for new programs.

MOTION: Regent Smith moved to approve the request to establish a Ph.D. program in Women's Studies at the University of Iowa. Regent Arenson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

ANNUAL GOVERNANCE REPORT OF IOWA SCHOOL FOR THE DEAF ADVISORY COMMITTEE. The Board Office recommended the Board receive the report.

Dr. Anton Netusil, professor of professional studies in education and co-chair of Professional Studies at Iowa State, chaired the committee during the 1996-1997 school year.

The Iowa School for the Deaf Advisory Committee met three times last school year. The fall and spring meetings were held in Council Bluffs while the winter meeting was a telephonic conference.

Activities highlighted in the report include:

- reports on strategic planning following the Board of Regents' January planning meeting,
- discussions of technology, Internet accessibility, and how the educational program of the school is affected by these developments,
- graduation requirements that were recommended and adopted by the Board in February 1997,
- initial discussions of how the special schools might be a resource to the universities, and
- a preliminary report on a feasibility study undertaken by the school to augment its physical plant.

ACTION: President Newlin stated the Board received the report, by general consent.

ANNUAL GOVERNANCE REPORT OF IOWA BRAILLE AND SIGHT SAVING SCHOOL ADVISORY COMMITTEE. The Board Office recommended the Board receive the report.

Dr. Kathryn Gerken, associate professor of psychological and quantitative foundations in education at the University of Iowa, served as chair during the 1996-1997 school year.

The committee met three times during the school year. The fall meeting was held on the Iowa Braille campus while the winter and spring meetings were held over the Iowa Communications Network.

Activities highlighted in the report include:

- progress reports on the revision of the school's strategic plan,
- discussions to facilitate a program to train teachers for the visually impaired through the University of Alabama - Birmingham,
- review of technology plans and graduation requirements, and
- review of other policies and reports presented to the Board.

ACTION: President Newlin stated the Board received the report, by general consent.

REPORT BY IOWA STATE UNIVERSITY ON PAPPAS RECOMMENDATIONS REGARDING EXTENSION. The Board Office recommended the Board (1) receive the final report on Pappas recommendations for extension and (2) refer the report to the Interinstitutional Committee for Educational Coordination for any implications to distance learning at the other Regent institutions.

The Pappas study, completed in 1996, recommended that Iowa State University undertake a review of extension; the Board assigned a portion of that review of extension activities to Iowa State University and a portion related to distance education to the Interinstitutional Committee for Educational Coordination.

This report on extension by Iowa State University was its final report to the Board concerning the Pappas recommendations.

Extension is restructuring to become a more integral part of Iowa State University and to preserve the traditions of extension while preparing to meet future needs.

Extension is one of Iowa State University's outreach activities to serve the state and differs from other outreach activities in its connection with national networks including the U.S. Department of Agriculture and other land-grant institutions.

Iowa State University has broadened the mission of its extension unit to engage the entire institution in serving Iowa.

Since Iowa State University officials proposed to use its extension staff to support the distance learning initiatives of the university, the Board Office recommended that the report be referred to the Interinstitutional Committee on Educational Coordination for any implications that this might have for distance learning at the other Regent institutions.

The report to the Regents discussed:

- the changing environment,
- the restructuring of extension,
- extension's program areas and activities,
- the resources to serve Iowa, and
- extension's connection with Iowa and its future.

The Changing Environment

Extension has become a "front door" for Iowa State University around the state as it maintains 107 field offices, advanced communications systems, a variety of funding sources, and local connections to clients.

The public sector must be cautious not to infringe upon the increasing number of private sector enterprises and to foster growth in the information market.

While federal funding has decreased and state funding has been designated for more specific purposes, competition has risen and private sources of funding have increased.

To meet the changing environment, Iowa State University's statewide system of county and area offices will remain in place and adapt to the local specialized programming needs.

All county and area offices have copies of Iowa State University's Student Recruitment Handbook and computers to provide public access to Iowa State University information.

Restructuring Extension

Beginning with fiscal year 1998, extension resources available in the Iowa State University colleges will be allocated on a project-by-project basis.

Projects will be expected to anticipate the demands of the client base as well as to focus and increase the depth of educational information available to citizens.

As projects change, resources will be systematically reallocated.

Extension field staff, especially extension education directors, field specialists, and office assistants, will be called upon to act as support staff for credit courses offered over the Iowa Communication Network, to support those students enrolled in Iowa State University distance education courses, and to promote courses offered by the university. These same staff members will provide the interpretive link between the university and students and may refer questions to an extension ombudsperson on campus for answers.

Extension staff members will become increasingly more involved in the total educational efforts of the university as they support off-campus credit programs and expand the demand for conferences and short courses for which they already have responsibilities.

As competition for educational services grows, the extension program must increase its efficiency. Competition implies that clearer lines will be drawn regarding the appropriate roles for the public and private sector providers and that extension will have to anticipate better those programs in demand.

To increase efficiency and aid in market responsiveness, Iowa State University Extension will decentralize some of its decisions about personnel management, training, program development, and evaluation that heretofore have been provided centrally.

Extension staff must be encouraged to become educational entrepreneurs and to take risks within the service region.

Programs and Activities

Extension program areas are problem-oriented, multi-disciplinary, and principally focused in agriculture and natural resources, business and industry, communities, extended and continuing education, families, and 4-H youth development.

Many areas of the extension program support various aspects of the state plan for economic development and economic health. As such, extension staff must be working to assist leadership in Iowa business and industry in anticipating change and positioning for the future.

Extension staff will help community groups recognize their assets, identify problems, and design strategies to meet community needs, such as leadership training and efficient and effective management in government.

Iowa State University Extension actively works with community colleges, independent colleges, and the other Regent institutions to expand the Iowa Communications Network to other community-based sites.

Resources to Serve Iowa

The local presence of Iowa State University Extension includes the county extension education director, office assistant, and a varying number of extension specialists, paraprofessionals, and volunteers.

The primary financial resources include federal tax dollars (which are declining as a percentage of the budget), state tax dollars (which are more focused than in the past), county tax dollars, grants (which are increasing as a source of revenue), and user fees (which are increasing as a source of revenue).

Connecting with Iowa and Its Future

With a presence in each county in the state, the extension service opens to Iowans the door to Iowa State University and enables the people of Iowa to pursue lifelong learning that meets their needs.

The project approach to programming will allow extension to serve better the people of Iowa through

- increased flexibility for resource allocation,
- improved accountability,
- clearer faculty, staff, and client incentives,

- more effective evaluation and performance indicators, and
- services that are more timely and targeted.

During fiscal year 1998, the extension strategic plan will be reviewed to align extension more closely with university goals and benchmarks for excellence.

President Jischke stated that extension is a partnership of federal, state and county governments. He said Iowa State University must have the best, if not one of the best, extension services in the country if it is to become the best land grant institution in the United States. He introduced Vice Provost for Extension Stanley Johnson, noting that he is recognized as one of the leading agriculture economists in the world.

Vice Provost Johnson reviewed the report which had been provided to the Regents. He discussed the Pappas report, restructuring of extension, programs, the changing environment, income trends, projects, entrepreneurship, distributed management, links to colleges, cooperating/partnering, and extension for the 21st century. He said the Pappas report was a good incentive to get university officials looking at extension.

Regent Lande referred to information in the report provided by university officials which indicated that there are 107 extension offices within the state. He said 99 of the offices were in the original 99 counties of the state. He asked where the other eight offices were located.

Vice Provost Johnson responded that one office was at Iowa State University. Seven others were area offices, all but one of which was co-located with a community college. The area offices are designed to coordinate activities within the areas.

Regent Lande said there are efforts underway in Iowa to maintain the 99 separate county governments. In the last 100 years the extension service has increased by eight offices.

Vice Provost Johnson said the questions that needed to be asked were what kind of extension services does a county want to receive and what are the resources; what do the citizens in a county want from extension and what is the most efficient way to get the services they want. He discussed the county extension council association, noting that people in 60 counties within Iowa voted a tax increase to support their county extension offices.

Regent Fisher asked how citizens pay for county extension office assistance. Vice Provost Johnson responded that citizens do not pay for general information. They do have to pay for certain services such as certification for application of pesticides.

Regent Fisher asked whether all of the extension offices have state-of-the-art technology and whether citizens can access the resources on campus through the county extension offices.

Vice Provost Johnson responded affirmatively. He said Iowa State University's extension offices probably have the best technology of any extension program in the country. He noted that most of the extension directors are graduates of Iowa State University.

Regent Fisher asked if the Iowa Communications Network plays a role in the extension offices. Vice Provost Johnson responded that the Iowa Communications Network plays a major role in the extension offices in two ways: 1) extension personnel provide training via the Iowa Communications Network and 2) delivery of distance education. The Iowa Communications Network makes approved courses and programs available to people who would not have access otherwise.

Regent Arenson asked whether reductions in the extension budget were anticipated under the new restructuring. Vice Provost Johnson responded that reductions were not expected. With restructuring, extension is in a position to provide increased services which he said might suggest an increase in the budget. Increasing the extension budget was a good investment because extension is careful about the services it provides. Extension does not compete with what is available elsewhere.

Regent Arenson asked how large a role Vice Provost Johnson saw for extension in distance learning. Vice Provost Johnson responded that extension has a very good capacity to provide increased access to education at Iowa State University. He believes there is a big role for extension in distance education especially in rural areas.

Regent Arenson asked if there are Iowa Communications Network sites at any of the extension offices. Vice Provost Johnson responded that the area offices all have Iowa Communications Network hook-ups since they are located at community colleges. The community college faculty and extension staff can help guide students on decisions.

Regent Arenson asked how much time would be dedicated to distance learning versus traditional extension services under the new structure. Vice Provost Johnson responded that there are lots of ways to increase the participation of extension in distance education, for which extension would expect to be compensated in some way. He gave the example of the local county extension field staff being asked to conduct a laboratory experiment or a discussion session. At some point extension cannot simply come up with those resources out of its current budget. He said the percentage of the extension budget that is spent on extended and continuing education right now is less

than 5 percent of the total budget, which includes a very extensive conferencing program.

Regent Arenson stated that in these changing times geographic location does not matter as much as it once did. Under that type of scenario, he questioned the need for 107 extension offices. Does the large number of extension offices make as much sense as it did 20 years ago?

Vice Provost Johnson responded that it did make sense but it does not make sense in the way in which extension was organized 100 years ago. Extension provides information and education services; however, much of what it does is work with the communities to figure out what those services should be. There is also a large youth and 4-H program. Those kinds of programs in many cases are delivered close to where the youth live. The youth and some of the other learners may not be familiar with new technologies. He said there is not an even distribution of knowledge and access to technology. He noted that the extension field staff are involved in research projects that are related to the services that they deliver.

Regent Arenson told Vice Provost Johnson that he was glad he was "on board". He said the restructuring was a major undertaking.

Vice Provost Johnson said the idea was to keep the best of the past but to be realistic about what could be done in the future.

Regent Pellett asked where 4-H and the youth programs fit into the extension structure. Vice Provost Johnson responded that 4-H and youth are one extension program area. He has every intent of making that program more alive than it is now. There are 115,000 people in the program. It is not a small program and it has lots of volunteers. One of its programs is an inner-city youth program.

Regent Pellett said she applauded the youth program efforts as well as the restructuring activities. She said the extension staff are the ones in touch with the people of Iowa. People of Iowa are in crisis in certain areas including family finances because of the gambling industry and the livestock industry. She urged university extension personnel to stand up and be counted on these really tough issues facing Iowans.

Vice Provost Johnson said he believes that using these projects and targeted resources will draw extension closer to where the action is. Extension has to be where the hot issues are. Extension personnel are now at work with county boards of supervisors facilitating discussions of livestock and the environment to make sure they have access to the best information of the university.

Regent Kennedy stated that distance learning is a delicate issue. She urged university extension officials to work closely with the Board's study group on information systems technology. They need to make sure that extension's efforts are part of whatever policies and decisions are made by that group.

Vice Provost Johnson stated that extended and continuing education is an extension program at Iowa State University; therefore, extension is responsible for managing those efforts. The distance learning environment is changing rapidly. He does not think Iowa State University is "the only game in town". The community colleges have programs in agriculture. Extension personnel are very interested in exploring models that use state resources more effectively to serve citizens. He said he was aware that distance education is an issue about which extension should proceed carefully. He believes extension should experiment with distance education.

Regent Arenson asked whether consideration had been given to having personnel at the extension offices who are involved in distance education represent courses being offered by the other two Regent universities as well. Vice Provost Johnson responded that the extension offices could do many other activities including contributing to access. There is a role for extension staff in the distance education arena. The courses offered through distance education line up with what is offered in the extension program. He said that extension was going step by step. They are prepared to report what their experience is and to figure out ways to ensure that the resources provided are used effectively.

Regent Smith expressed appreciation for extension's efforts in determining the needs of the communities. She said she was invited to one of the many sharing sessions, noting that it was an exciting opportunity for Iowans.

MOTION: Regent Arenson moved to receive the report and refer to the ICEC for any implications to distance learning. Regent Pellet seconded the motion.
MOTION CARRIED UNANIMOUSLY.

President Newlin thanked Vice Provost Johnson for the presentation. He expressed appreciation for the hard work he and his staff had done.

REPORT ON SELECTION OF SEARCH FIRM FOR EXECUTIVE DIRECTOR. The Board Office recommended the Board receive the report on the selection of a search firm for the Executive Director Search.

Last month the Board approved a procedure whereby the Organizational Audit Oversight Committee was to select an executive search firm to assist the Search and Screen Advisory Committee in conducting the search for an Executive Director. Three in-state and five out-of-state firms were identified in a preliminary screening of possible search firms. Based on proposals submitted by these firms three were chosen to give presentations to the Organizational Audit Oversight Committee on July 21.

The three firms selected for interview include: Francis and Associates of West Des Moines; McGladrey Search Group of Des Moines; and Lauer, Sbarbaro Associates from Chicago.

President Newlin stated that the Organizational Audit Oversight Committee had interviewed three firms the previous afternoon. The committee selected Lauer Sbarbaro Associates to work with the search committee in proceeding with the task of selecting an Executive Director for the Board of Regents.

ACTION: President Newlin stated the Board received the report on the selection of a search firm for the Executive Director Search, by general consent.

REPORT OF THE BANKING COMMITTEE. (a) General Report. The Board Office recommended the Board accept the report of the Banking Committee.

Regent Kennedy stated that the Banking Committee members received the FY 1998 internal audit plans of the institutions. The committee received internal audit reports, State Auditor's report of payroll computer system of Information Technology Services at the University of Iowa, State Auditor's report on selected departments at the University of Northern Iowa, State Audit reports for the State of Iowa, State Auditor's reports on Regent universities, State Audit reports on Regent special schools, and revenue bond fund audit reports for the University of Iowa.

ACTION: President Newlin stated the Board accepted the report of the Banking Committee, by general consent.

(b) Resolution for the Sale of \$7,615,000 Telecommunications Facilities Revenue Bonds, Series I.S.U. 1997. The Board Office recommended that the Board adopt the following resolutions subject to the receipt of acceptable bids:

(1) A Resolution providing for the sale and award of \$7,615,000 Telecommunications Facilities Revenue Bonds, Series I.S.U. 1997, 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 \$7,615,000 Telecommunications Facilities Revenue Bonds, Series I.S.U. 1997, for the purpose of defraying costs of constructing, improving and equipping certain telecommunications facilities for Iowa State University of Science and Technology, paying the costs of issuance and funding a reserve fund.

Debt service will be paid over a period of 10 years from net revenues derived from telecommunications system user charges and any telecommunications system student fees which may be established by the Board in the future.

Mr. Fick said bids were received that morning for the bond sale. Two very competitive and excellent bids were received. The best bid was submitted by a syndicate led by Smith Barney for a true interest rate of 4.3463 percent. The other bid was slightly higher than that amount. He recommended the Board accept the bid.

MOTION:

Regent Kennedy moved to adopt the following resolutions: (1) A Resolution providing for the sale and award of \$7,615,000 Telecommunications Facilities Revenue Bonds, Series I.S.U. 1997, 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 \$7,615,000 Telecommunications Facilities Revenue Bonds, Series I.S.U. 1997, for the purpose of defraying costs of constructing, improving and equipping certain telecommunications facilities for Iowa State University of Science and Technology, paying the costs of issuance and funding a reserve fund. Regent Arenson seconded the motion, and upon the roll being called, the following voted:
AYE: Arenson, Fisher, Kelly, Kennedy, Lande, Newlin, Pellett, Smith.
NAY: None.
ABSENT: Ahrens.

MOTION CARRIED.

(c) Reimbursement Resolution - Quadrangle Residence Hall - Telecommunications Improvements - University of Iowa. The Board Office recommended that the Board adopt a Dormitory Revenue bond reimbursement resolution for the Quadrangle Residence Hall - Telecommunications Improvements project at the University of Iowa.

The resolution will permit the university to be reimbursed from a future dormitory revenue bond issue (late 1997 or 1998) for the Quadrangle Residence Hall - Telecommunications Improvement project at the University of Iowa. The project was approved by the Board in April 1997 in the amount of \$440,000. The reimbursement resolution was submitted at this time to ensure maximum reimbursement capability under the regulations of the Internal Revenue Code.

MOTION: Regent Fisher moved to adopt a Dormitory Revenue bond reimbursement resolution for the Quadrangle Residence Hall - Telecommunications Improvements project at the University of Iowa. Regent Arenson seconded the motion, and upon the roll being called, the following voted:
AYE: Arenson, Fisher, Kelly, Kennedy, Lande, Newlin, Pellett, Smith.
NAY: None.
ABSENT: Ahrens.

MOTION CARRIED.

FINAL APPROVAL OF DETAILED OPERATING BUDGETS FOR FISCAL YEAR 1998. The Board Office recommended the Board refer to the individual final budgets for FY 1998.

The final FY 1998 detailed operating budget for all funds of the Regent institutions was \$2.1 billion of which \$865.4 million represented the restricted funds budget and \$1.2 billion represented the general fund budget. The overall increase of \$70.8 million (3.5 percent higher than the revised FY 1997 budget) was composed of a restricted

fund increase of \$23.4 million (2.8 percent) and a general fund increase of \$47.4 million (3.9 percent).

The general fund budgets of the institutions changed slightly from the budgets submitted to the Board in June. The FY 1998 general fund budget increase of \$47.4 million from the revised FY 1997 budget was composed primarily of appropriations for salaries (\$25.8 million) and program initiatives (\$4.6 million), projected tuition revenues (\$7.5 million), projected health service revenues (\$8.5 million), and other projected revenues (\$1.0 million).

The budgets reflected the strategic plans of the Board and the institutions. Institutional officials identified reallocations which will be used to fund strategic planning initiatives and mandatory cost increases which are in accordance with the Board's five-year program of reallocations averaging two percent per year.

The adjusted budget for the Board Office was \$2.2 million to reflect funding for the Executive Director search and studies on the Regent governance information systems and performance indicators as authorized by the Board in June.

Regent Fisher asked if the total state appropriation was \$865 million. Mr. Richey responded that the general fund state appropriations amounted to \$611 million. He said the \$865 million included appropriations for capital projects and tuition replacement. Those appropriations are treated as restricted funds.

Mr. Richey noted that each of the institutions had reallocated at least 2 percent of its general fund base budget.

ACTION: President Newlin stated the Board received the overview, by general consent.

(a) University of Iowa. The Board Office recommended the Board approve the final FY 1998 budget for the University of Iowa in the amount of \$1,237,924,371.

The final FY 1998 budget for all funds at the University of Iowa was \$1.2 billion of which \$459.2 million represented the restricted funds budget and \$778.7 million represented the general fund budget. The overall increase of \$41.6 million (3.6 percent higher than the revised FY 1997 budget) was composed of a restricted fund increase of \$14.2 million (3.2 percent) and a general fund increase of \$27.4 million (3.6 percent). The general fund budget changed slightly from the budget submitted to the Board in June.

The University of Iowa budget reflected the strategic plans of the Board and the institution. Reallocations of 3.4 percent were included in the university's budget plan.

President Coleman stated that the budget presented this month was consistent with what was presented the last two months. The budget allocations followed the university's strategic initiatives.

Mr. Richey noted that substantial additional amounts had been put into building repair.

President Coleman stated that university officials were trying to make good progress on eliminating deferred maintenance.

President Kennedy asked for clarification on the child care amount of \$20,800. Vice President True responded that university officials allocated that amount to student child care this year. Tuition and other income were utilized to increment the amount of funds dedicated to student child care. The university received no new state appropriations this year for child care.

Regent Kennedy asked whether funds had been appropriated previously. Vice President True responded that there was an approximate \$60,000 appropriation in the base budget of the university. One year the university was directed to allocate out of the base budget an additional \$50,000 for child care. This year university officials were including an additional \$20,000 for child care for students.

MOTION: Regent Lande moved to approve the final FY 1998 budget for the University of Iowa in the amount of \$1,237,924,371. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Iowa State University. The Board Office recommended the Board approve the final FY 1998 budget for Iowa State University in the amount of \$664,845,555.

The final FY 1998 budget for all funds at Iowa State University was \$664.8 million of which \$318.5 million represented the restricted funds budget and \$346.4 million represented the general fund budget. The overall increase of \$12.0 million (1.8 percent higher than the revised FY 1997 budget) was composed of a restricted fund decrease of \$2.7 million (0.8 percent) and a general fund increase of \$14.7 million (4.4 percent). The general fund budget changed slightly from the budget submitted to the Board in June.

The Iowa State University budget reflected the strategic plans of the Board and the institution. Reallocations of 2.1 percent were included in the university's budget plan.

President Jischke stated that the budget presented this month was identical to what was presented the last two months.

Regent Pellett asked about the status of the university's request regarding mileage reimbursement. President Jischke said it was his understanding that the Board Office was discussing the matter with the Department of Management. He said he had every reason to believe the university's request would ultimately be approved.

Mr. Richey said the matter was scheduled for the September docket.

MOTION: Regent Lande moved to approve the final FY 1998 budget for Iowa State University in the amount of \$664,845,555. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) University of Northern Iowa. The Board Office recommended the Board approve the final FY 1998 budget for the University of Northern Iowa in the amount of \$198,514,234.

The final FY 1998 budget for all funds at the University of Northern Iowa was \$198.5 million of which \$86.5 million represented the restricted funds budget and \$112.0 million represented the general fund budget. The overall increase of \$16.4 million (9.0 percent higher than the revised FY 1997 budget) was composed of a restricted fund increase of \$11.5 million (15.3 percent) and a general fund increase of \$4.9 million (4.6 percent). The general fund budget changed slightly from the budget submitted to the Board in June.

The University of Northern Iowa budget reflected the strategic plans of the Board and the institution. Reallocations of \$2.6 million were included in the university's budget plan.

President Koob stated that the spouse of Assistant Vice President of Administration and Finance Eunice Dell had passed away last Saturday following a long illness. He said he wished to publicly express the appreciation of University of Northern Iowa staff to the Board Office staff for helping them through this budget process. He noted that the budget before the Board was substantially the same as what was presented the last two months.

MOTION: Regent Lande moved to approve the final FY 1998 budget for the University of Northern Iowa in the amount of \$198,514,234. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Iowa School for the Deaf. The Board Office recommended the Board approve the final FY 1998 budget for the Iowa School for the Deaf in the amount of \$7,755,324.

The final FY 1998 budget for all funds at Iowa School for the Deaf was \$7.8 million of which \$195,600 represented the restricted funds budget and \$7.6 million represented the general fund budget. The overall increase of \$369,661 (5.0 percent higher than the revised FY 1997 budget) was composed of a restricted fund increase of \$92,760 (90.2 percent) and a general fund increase of \$276,901 (3.8 percent). The general fund budget changed slightly from the budget submitted to the Board in June.

The Iowa School for the Deaf budget reflected the strategic plans of the Board and the institution. Reallocations of 1.8 percent were included in the school's budget plan. In combination with reallocations of 2.3 percent for FY 1997, the school's reallocations for the two-year period averaged 2.1 percent.

Superintendent Johnson stated that the budget was the same as what was presented the last two months with an exception in the salary area. He noted that the change would not affect programs of the Iowa School for the Deaf.

MOTION: Regent Lande moved to approve the final FY 1998 budget for the Iowa School for the Deaf in the amount of \$7,755,324. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

(e) Iowa Braille and Sight Saving School. The Board Office recommended the Board approve the final FY 1998 budget for the Iowa Braille and Sight Saving School in the amount of \$5,311,376.

The final FY 1998 budget for all funds at Iowa Braille and Sight Saving School was \$5.3 million of which \$994,949 represented the restricted funds budget and \$4.3 million represented the general fund budget. The overall increase of \$423,384 (8.7 percent higher than the revised FY 1997 budget) was composed of a restricted fund increase of \$291,919 (41.5 percent) and a general fund increase of \$131,465 (3.1 percent). The general fund budget changed slightly from the budget submitted to the Board in June.

The Iowa Braille and Sight Saving School budget reflected the strategic plans of the Board and the institution. Reallocations of 2.1 percent were included in the school's budget plan.

Superintendent Thurman stated that the budget was substantially the same as what was presented the last two months.

MOTION: Regent Lande moved to approve the final FY 1998 budget for the Iowa Braille and Sight Saving School in the amount of \$5,311,376. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

(f) Regional Study Centers. The Board Office recommended the Board approve the final FY 1998 detailed operating budgets for the Quad-Cities Graduate Study Center (\$342,462), the Tri-State Graduate Study Center (\$133,773) and the Southwest Iowa Regents Resource Center (\$123,138).

The budget for the Quad-Cities Graduate Study Center was \$3,562 higher than the budget presented to the Board in May and June. The budgets for the other centers were unchanged from the budgets presented previously. The Quad-Cities Graduate Study Center's increased revenue of \$3,562 includes an additional \$1,207 from the State of Illinois and an increase of \$2,355 in center revenue. These increased funds were budgeted for personnel costs.

MOTION: Regent Fisher moved to approve the final FY 1998 detailed operating budgets for the Quad-Cities Graduate Study Center (\$342,462), the Tri-State Graduate Study Center (\$133,773) and the Southwest Iowa Regents Resource Center (\$123,138). Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

(g) Iowa Lakeside Laboratory. The Board Office recommended the Board approve the final FY 1998 detailed operating budget of \$390,148 for the Iowa Lakeside Laboratory, including \$313,388 in general funds, subject to final salary adjustments, to be provided as detailed below, with a budgeted account to be established at Iowa State University.

University of Iowa	\$155,890
Iowa State University	95,278
University of Northern Iowa	<u>62,220</u>
Total	\$313,388

The distribution of funding among the universities was the same as presented to the Board in May and June. To improve the accounting of revenues and expenditures for the laboratory it was recommended that a budgeted account be established for the laboratory at Iowa State University.

Regent Lande asked how the funding allocation between the three universities was determined. Mr. Richey responded that part of it was history. Iowa State University is now the administering agency. The allocation was basically 50/30/20. When the administration moved to Iowa State University, the funds for the center were essentially moved with it.

Regent Fisher asked how much money has been raised locally. He noted that when the Regents met at Lakeside Laboratory last month he saw a lot of enthusiasm by the community. Director Barak responded that the community has raised \$730,000 for the Water Quality Laboratory. In addition, there is a fund-raising campaign to collect money for an endowment to use for the operation of the laboratory. There was a fund raising activity this past week but he did not know how much money was collected. The goal was to raise another \$30,000 from this most-recent fund raiser.

President Newlin asked if the community had done everything it said it would do. Director Barak responded affirmatively. He said that in addition, it has raised funds for a number of scholarships.

MOTION:

Regent Kennedy moved to approve the final FY 1998 detailed operating budget of \$390,148 for the Iowa Lakeside Laboratory, including \$313,388 in general funds, subject to final salary adjustments, to be provided as detailed, with a budgeted account to be established at Iowa State University. Regent Pellett seconded the motion.
MOTION CARRIED UNANIMOUSLY.

(h) Board Office. The Board Office recommended the Board approve the budget of the Board Office in the total amount of \$2,181,153 of which \$1,525,198 was the general office account.

The final budget was revised by \$282,398 to reflect the Board's decisions in June and Governor Branstad's decision on the salary of the Executive Director. The inclusions are as follows:

- Executive Director's increase in salary and benefits as set by the Governor, \$3,882.
- Estimated cost of search for new Executive Director, \$125,000
- MGT - Governance Information System contract, \$73,812
- MGT - Performance Indicators contract, \$79,704

MOTION: Regent Fisher moved to approve the budget of the Board Office in the total amount of \$2,181,153 of which \$1,525,198 was the general office account. Regent Arenson seconded the motion. MOTION CARRIED UNANIMOUSLY.

CLARIFICATION OF PROCEDURAL GUIDE REGARDING COMPENSATION OF INSTITUTIONAL OFFICIALS. The Board Office recommended that the language of sections 4.05 and 4.13 of the Procedural Guide be amended, as presented.

The current provisions in the Procedural Guide relating to the setting of salaries of major institutional officials are not clearly enough stated to reflect the Board's long-standing role.

The proposed language sets forth unambiguously that appointments of provosts, vice presidents and directors of major units such as the Ames Laboratory and University of Iowa Hospitals and Clinics are to be nominated by the presidents and are subject to approval by the Board and, further, that the salaries of such officials and their equivalents in the special schools are to be submitted by the institutional heads to the Board for approval.

Section 4.05 - Other Board Appointments

C. Provosts, vice presidents, and directors of major units such as the Ames Laboratory and University Hospitals and Clinics ~~and other major administrators~~ reporting to the institutional head shall be nominated by the institutional head for appointment by the Board. Appointments to these positions become effective on the date designated by the Board.

The institutional head shall inform the Board of an impending vacancy in any of these positions and shall apprise the Board of plans for a search for a successor. The Board shall be kept fully informed of the progress of the search and the institutional head shall inform the Board of the finalists before a nomination is made. If the compensation or duties of the successful candidate are to be substantially different from those of the previous person in the position the Board shall be informed. (Board of Regents Minutes October 18, 1989, p. 234)

Section 4.13 - Salaries

B. Procedure for ~~reporting proposed~~ changes in the salaries of major institutional administrators as defined in 4.05 (C):

1. Following Board approval of preliminary budgets and approximately 10 days prior to its consideration of final detailed budgets, university presidents shall notify inform the Board of any requested proposed changes in the salaries of all vice presidents, deans, and other major institutional administrators.
2. Following Board approval of preliminary budgets and approximately 10 days prior to its consideration of final detailed budgets, the superintendents of the School for the Deaf and the Braille and Sight Saving School shall notify inform the Board of any requested proposed changes in the salaries of major institutional administrators. (Board of Regents Minutes November 13, 1980, pp. 434-436)
3. Requested proposed changes in salaries of major institutional administrators as identified in 4.05C and equivalent positions in the special schools shall be submitted by the institutional heads to the Board of Regents for approval.

Mr. Richey presented the above language as proposed by the Board Office and edited by Regent Arenson. He said the edits did not change the sense of the recommendation but had improved the language.

MOTION: Regent Arenson moved that the language of sections 4.05 and 4.13 of the Procedural Guide be amended, as presented. Regent Kennedy seconded the motion.

President Coleman stated that it has been her policy and that of her predecessors to do exactly what was presented in the recommended language -- to keep the Board

- SUI - indigent patient care program, Oakdale Campus infrastructure initiatives, and other program expansions;
- UNI - new conflict analysis and resolution center, new masters program in social work, student transition program, and expanded outreach;
- ISD - behavior consultant and technology; and
- IBSSS - outreach assistance and assistive devices.

For each fiscal year, Iowa State University requested \$4 million for extension which is approximately 20 percent of the FY 1998 extension appropriation (\$8 million total increase over the biennium); funding of \$500,000 was recommended in FY 2000. The Board Office recommendations included full funding for re-engineering engineering education which was Iowa State University's major priority a year ago and was not fully funded.

A Regent-wide technology initiative was recommended at \$10.1 million for each of the three years, FY 1999 - FY 2001, to support development and use of technological information, the rapid and efficient access to computerized data, and to ensure Iowa's position of educational leadership.

Mr. Richey told the Board members to expect institutional concerns about the preliminary Board Office recommendations. A total of \$661 million (+8.1 percent) was requested. He said institutional officials would maintain that what was recommended by the Board Office was not adequate. Mr. Richey stressed that the recommendations were preliminary; the requests and recommendations would be reviewed and discussed in depth in August.

ACTION: President Newlin stated the Board received the overview, by general consent.

(a) University of Iowa. The Board Office recommended the Board receive the report on the FY 1999 and FY 2000 general fund operating appropriation requests of the University of Iowa and preliminary Board Office recommendations.

The University of Iowa's request for state operating appropriations for FY 1999 was \$305,348,484 (+8.3 percent) and for FY 2000 was \$324,839,901 (6.4 percent).

The preliminary Board Office recommendations for state appropriation funding for FY 1999 was \$289,962,208 (2.9 percent) and for FY 2000 was \$297,609,615 (2.6 percent).

The recommended amounts were exclusive of funds for Regents salary (4 percent) and health insurance (8 percent) increases which were estimated to be \$12.2 million (+4.3 percent) for FY 1999; the salary increases in FY 2000 will be determined after collective bargaining negotiations are completed for the 2000-2001 biennium.

The university's request and the Board Office preliminary recommendations for FY 1999 and FY 2000 state appropriations for operations for the University of Iowa were as follows:

<u>University of Iowa</u>	FY 1999		FY 1999	
	<u>Request</u>	<u>% Increase</u>	<u>Recommendation</u>	<u>% Increase</u>
General University	\$241,573,933	8.0	\$231,089,183	3.3
University Hospitals	34,104,468	10.1	31,366,081	1.3
Psychiatric Hospital	7,789,583	1.1	7,752,301	0.7
Hospital School	6,804,382	4.9	6,540,820	0.8
Oakdale	3,359,545	10.9	3,082,471	1.8
Hygienic Laboratory	3,811,004	4.0	3,710,943	1.3
Family Practice	2,418,838	8.7	2,227,647	0.2
SCHS CA/HE	521,284	0.2	520,872	0.2
Special Purpose	<u>4,965,447</u>	<u>36.1</u>	<u>3,671,890</u>	<u>0.6</u>
Total	\$305,348,484	8.3	\$289,962,208	2.9

<u>University of Iowa</u>	FY 2000		FY 2000	
	<u>Request</u>	<u>% Increase</u>	<u>Recommendation</u>	<u>% Increase</u>
General University	\$259,887,633	7.6	\$238,644,258	3.3
University Hospitals	34,795,823	2.0	31,704,322	1.1
Psychiatric Hospital	7,866,885	1.0	7,791,190	0.5
Hospital School	7,222,182	6.1	6,571,820	0.5
Oakdale	3,434,645	2.2	3,129,409	1.5
Hygienic Laboratory	3,771,544	1.2	3,738,781	0.8
Family Practice	2,422,143	0.1	2,229,713	0.1
SCHS CA/HE	522,384	0.2	521,560	0.1
Special Purpose	<u>4,916,662</u>	<u>(1.0)</u>	<u>3,278,562</u>	<u>(10.7)</u>
Total	\$324,839,901	6.4	\$297,609,615	2.6*

* The percentage is lower than it would normally be due to non-recurring funding for NADS being dropped out in FY 2000.

Incremental appropriations for FY 1999 and FY 2000 as requested by the university and recommended by the Board Office were as follows:

	FY 1999 <u>Request</u>	FY 1999 <u>Recommend.</u>	FY 2000 <u>Request</u>	FY 2000 <u>Recommend.</u>
Salary Annualization	\$ 580,500	\$ 408,000	\$ 0	\$ 0
Inflation	4,188,072	2,900,174	4,439,910	3,092,948
Building Repairs	1,311,129	600,000	1,311,129	600,000
Opening New Buildings	122,346	122,346	376,998	376,998
Improving Undergraduate Education	4,000,000	1,300,000	4,000,000	1,300,000
Research & Graduate Education	2,000,000	0	2,000,000	0
Child Care	100,000	0	100,000	0
Institutional Initiatives	<u>11,133,982</u>	<u>2,719,233</u>	<u>7,263,380</u>	<u>2,277,461</u>
	<u>\$23,436,029</u>	<u>\$8,049,753</u>	<u>\$19,491,417</u>	<u>\$7,647,407</u>

Salary annualization funding of \$408,000 for FY 1999 was recommended to pay merit salaries increments and benefits for which commitments have already been made.

Inflation funding for goods and services was recommended at 2.5 percent for general expenses and utilities and 12.0 percent for libraries.

The requested funding for utilities inflation reflected \$107,000 in FY 1999 and \$117,000 in FY 2000 for mandated increases in the cost of wastewater treatment as provided under a service agreement with the City of Iowa City; the recommended inflation amounts did not include these costs.

Building repair funding was recommended at \$600,000 for each fiscal year.

Opening new building costs for FY 1999 were based on the opening of the Levitt Center for University Advancement and the Family Care Center; the FY 2000 funding request was based on the opening of the Biology Building addition, the first year of operation of the Otolaryngology Head and Neck Surgery Institute, and the Rheumatology Clinic and Orthopedic Surgery Clinical Research Support Facility.

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	Institutional Initiatives			
	FY	1999	FY	2000
	<u>Request</u>	<u>Recommend</u>	<u>Request</u>	<u>Recommend</u>
Library & Information Services Enhancements	\$ 1,300,000	\$1,000,000	\$1,300,000	\$1,000,000
Classrooms, Labs & Campus Improvements	1,600,000	0	2,000,000	0
Biosciences	700,000	700,000	700,000	700,000
Health & Independence of Elderly Iowans	336,000	336,000	306,000	306,000
Arts & Humanities	300,000	200,000	300,000	200,000
Technology-Based Teaching	2,000,000	500,000	2,000,000	500,000
Increasing Diversity	400,000	0	400,000	0
Indigent Patient Care Program	2,508,000	0	115,000	0
Comprehensive Assistive Technology Services	54,500	0	113,400	0
Expanded Biobehaviorial Serv.	155,000	0	218,100	0
Oakdale Campus-Infrastructure	250,000	0	0	0
Hygienic Laboratory - Virtual Laboratory	84,000	0	0	0
Family Practice Program Expansion	190,000	0	0	0
Special Purpose	<u>1,256,482</u>	<u>(16,767)</u>	<u>(105,120)</u>	<u>(428,539)</u>
	<u>\$11,133,982</u>	<u>\$2,719,233</u>	<u>\$7,347,380</u>	<u>\$2,277,461</u>

The recommended additional appropriations for institutional initiatives included the following:

- Library enhancements at \$1,000,000 for FY 1999 and \$1,000,000 for FY 2000;
- Biosciences at \$700,000 for FY 1999 and \$700,000 for FY 2000;
- Health and independence of elderly program at \$336,000 in FY 1999 and \$306,000 in FY 2000;
- Arts and humanities at \$200,000 in FY 1999 and \$200,000 in FY 2000; and
- Technology based teaching initiative at \$500,000 in FY 1999 and \$500,000 in FY 2000.

President Coleman thanked the Board Office for looking carefully at the university's plan. She said university officials were excited about the proposals. In the area of maintaining the quality of the library, she said some initiatives were continued from last year. The arts and humanities initiative had created much excitement on campus. The technology-based teaching initiative is just getting started. She said one new area which she wished to discuss was the Center for Health and Independence of Elderly Iowans. Iowa ranks #1 in the number of citizens over the age of 85 and #4 in the number of citizens over the age of 65. Two University of Iowa faculty members are prominent nationally in this area. The center is very important for the university's public service and outreach for the state.

President Coleman stated that, as Mr. Richey had pointed out, there were some differing views regarding the recommendations particularly with regard to graduate education. University officials would ask to work with the Board Office in trying to adjust some of the numbers.

President Coleman referred to the effort to strengthen undergraduate education and said she was pleased to see a commitment by the Board Office in that area. She said there are over 200 general assignment classrooms at the University of Iowa; fewer than 20 can accept the newest technology. The instructional technology funds would be spent partly to equip classrooms. University officials plan to use some of the funds for other kinds of instructional equipment including laboratory equipment. Another area of strengthening undergraduate education about which university officials are excited is student retention and career service programs. University officials want to provide students with more career planning, internship and global experiences.

Two areas which university officials would like to work on with the Board Office were in the health registries area. President Coleman stated that two very important registries are the Iowa Birth Defects Registry and the State of Iowa Cancer Registry. The registries are very well recognized nationally. She said there is a tremendous amount of federal support for the registries and university officials would like to have a commitment by the state.

Regent Lande stated that University of Iowa officials were asking for an 8.3 percent increase in state appropriations for operations, Iowa State University officials were asking for an 8.1 percent increase and University of Northern Iowa officials were asking for a 7 percent increase in appropriations. Additionally, university officials were requesting appropriations for proposed special projects to leap frog in the area of technology. Building and capital appropriations are also being treated specially. The requests were for more than double the rate of inflation.

President Coleman described the process on campus whereby university officials solicit requests, and receive more requests than can be met. University officials go through a sifting process to align the budget requests to the university's strategic goals. She said the Regents were presented with university officials' aggressive efforts to help the university to become better and to leap frog in certain areas. Just keeping up with inflation is not going to do that. The Regents were seeing university officials' very strong desire to make the University of Iowa the best it can possibly be; to offer the best education for Iowans at the lowest possible cost.

Regent Lande referred to the Board's commitment to making Iowa education the best. He said that in the search for quality it is not purely a matter of pushing money at it to make it better. With regard to technology and substandard facilities, he hoped the Regents would address those issues in the other parts of the budget increases.

President Coleman stated that the university's appropriations request follows the university's strategic goals. University officials have done a significant amount of reallocation. They have made tough choices internally by reallocating over \$11 million this year. That reallocation activity is a sort of covenant with the people of Iowa and with the Regents.

Regent Fisher asked if it was a typical process for institutional officials to ask for more than what the Board Office was recommending. Mr. Richey responded affirmatively. He stated that what was being discussed at this time was the appropriation increase. Appropriations represent less than one-half of the institutional budgets.

Regent Fisher asked if the Board Office and institutions would return in September with firm figures. Mr. Richey responded that they would, and that the Board Office would also present the Regents with the tuition recommendation. Final action on tuition would be taken in October. The Regents would have a good idea of the tuition policy in September as they take final action on the appropriations requests.

Regent Kennedy referred to a statement in the docket memorandum that university officials have been working on a child care 5-year plan. What is the impact on that plan if the universities do not receive any increases in appropriations for child care? Vice President True responded that if no additional appropriations are received next year for child care, university officials will be faced with having to make a decision in the budgeting process a year from now whether to increment the amount dedicated to child care or to leave it static. He said there is a great deal of demand for child care for students. Lack of appropriations will represent a diminution of the university's ability to serve those constituents. They will not be able to deal with child care needs to the degree to which they would like.

Associate Vice President Small stated that the 5-year plan for child care was presented in May. Specific plans for this year include \$100,000 to follow-up on an initiative with the student government to provide reimbursement for sick child care. University officials wish to increase the number of graduate students that can be served and to provide scholarships at student government-sponsored child care centers.

ACTION: President Newlin stated the Board received the report on the FY 1999 and FY 2000 general fund operating appropriation requests of the University of Iowa and preliminary Board Office recommendations, by general consent.

(b) Iowa State University. The Board Office recommended the Board receive the report on the FY 1999 and FY 2000 general fund operating appropriation requests for Iowa State University and preliminary Board Office recommendations.

Iowa State University's request for state appropriations for operations for FY 1999 was \$258,458,349 (+8.1 percent) and for FY 2000 was \$278,242,300 (+7.7 percent).

The Board Office recommendation for state appropriations for Iowa State University for FY 1999 was \$245,895,211 (+2.9 percent) and for FY 2000 was \$252,676,882 (+2.8 percent).

The recommended amounts were exclusive of funds for Regents salary (4 percent) and health insurance (8 percent) increases which were estimated to be \$10.1 million (4.2 percent) for FY 1999; the salary increases in FY 2000 will be determined after collective bargaining negotiations are completed for the 2000-2001 biennium.

The university's request and the Board Office preliminary recommendation for FY 1999 state appropriations for operations for Iowa State University were as follows:

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<u>Iowa State University</u>	FY 1999		FY 1999	
	<u>Request</u>	<u>% Increase</u>	<u>Recommend.</u>	<u>% Increase</u>
General University	\$192,550,823	8.4	\$184,183,010	3.7
Ag. Experiment Station	34,087,293	0.7	34,002,625	0.5
Cooperative Extension	24,866,956	20.3	20,798,006	0.6
Inst. Physical Research & Tech	4,437,555	1.4	4,415,769	0.9
Special Purpose.	<u>2,515,722</u>	<u>2.3</u>	<u>2,495,801</u>	<u>1.5</u>
Total	\$258,458,349	8.1	\$245,895,211	2.9

The university's request and the Board Office preliminary recommendation for FY 2000 state appropriations for operations for Iowa State University were as follows:

<u>Iowa State University</u>	FY 2000		FY 2000	
	<u>Request</u>	<u>% Increase</u>	<u>Recommend.</u>	<u>% Increase</u>
General University	\$207,793,206	7.9	\$190,126,202	3.2
Ag. Experiment Station	34,321,973	0.7	34,149,300	0.4
Cooperative Extension	29,058,173	16.9	21,417,516	3.0
Inst. Physical Research & Tech	4,497,976	1.4	4,453,532	0.9
Special Purpose.	<u>2,570,972</u>	<u>2.2</u>	<u>2,530,332</u>	<u>1.4</u>
Total	\$278,242,300	7.7	\$252,676,882	2.8

Incremental appropriations for FY 1999 and FY 2000 as requested by the university and recommended by the Board Office were as follows:

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	FY 1999		FY 2000	
	<u>Request</u>	<u>Recommend.</u>	<u>Request</u>	<u>Recommend.</u>
Salary Annualization	\$ 204,974	\$ 204,974	\$ 0	\$ 0
Inflation	2,891,918	2,080,119	3,046,125	2,209,214
Building Repairs	1,701,339	850,000	1,701,339	850,000
Opening New Buildings	268,090	268,090	736,487	322,457
Child Care	100,000	0	300,000	0
Improving Undergraduate Education	3,000,000	1,000,000	3,000,000	1,000,000
Research and Graduate Education	3,200,000	500,000	3,200,000	400,000
Institutional Initiatives	<u>8,100,000</u>	<u>2,000,000</u>	<u>7,800,000</u>	<u>2,000,000</u>
	<u>\$19,466,321</u>	<u>\$6,903,183</u>	<u>\$19,783,951</u>	<u>\$6,781,671</u>

Salary annualization funding of \$204,974 for FY 1999 was recommended to pay merit salaries increments and benefits for which commitments have already been made.

Inflation funding for goods and services was recommended at 2.5 percent for general expenses and utilities and 12.0 percent for libraries.

Additional building repair funding was recommended at \$850,000 for both fiscal years.

Opening new building costs were based on anticipated opening dates.

The recommendation for improving undergraduate education was \$1,000,000 for each fiscal year.

For research and graduate education, the recommendation was \$500,000 for FY 1999 and \$400,000 for FY 2000.

Institutional Initiatives

	FY 1999		FY 2000	
	<u>Request</u>	<u>Recommend</u>	<u>Request</u>	<u>Recommend</u>
Extension 21: Building Extension for the Land- Grant University of the 21st Century	\$4,000,000	\$ 0	\$4,000,000	\$ 500,000
Re-engineering Engineering Education	1,500,000	1,000,000	0	500,000
Building a Center of Excellence in Fundamental Plant Science	2,500,000	1,000,000	3,500,000	1,000,000
Americans with Disabilities Act Compliance	<u>100,000</u>	<u>0</u>	<u>300,000</u>	<u>0</u>
	<u>\$8,100,000</u>	<u>2,000,000</u>	<u>\$7,800,000</u>	<u>2,000,000</u>

The recommended appropriations for institutional initiatives of \$2,000,000 for FY 1999 and \$2,000,000 for FY 2000 included:

- Re-engineering engineering education at \$1,000,000 for FY 1999 and \$500,000 for FY 2000;
- Development of a center of excellence in fundamental plant science at \$1,000,000 for FY 1999 and \$1,000,000 for FY 2000; and
- Extension 21 for building cooperative extension services for the 21st century at \$500,000 for FY 2000.

President Jischke expressed appreciation for the positive recommendations of the Board Office. He stated that given Iowa's very strong financial position and the Regents' commitment to not request capital funds this year, he believed the Regents should be quite aggressive in pursuing operating appropriations. What was presented to the Board was only a request. The Regents were not being asked to appropriate the money but simply to give university officials the opportunity to make their case to the Governor and legislature.

President Jischke called the Board's attention to what for Iowa State University was a very serious omission in the recommendation regarding the extension request. He asked that the Board Office amend its proposed recommendation for Extension 21 which is a project to rebuild extension for the next century. The extension initiative was

the university's top priority. Except for salary adjustments, it has been at least two decades since extension has had an increase in its base budget. Extension has new leadership and important plans for restructuring. He believes it is important to support extension's efforts by providing the opportunity to make the case to the Governor and legislature.

Regent Arenson stated that the previous day Vice Provost for Extension Johnson had made a presentation to the Board of Regents. He had indicated that there was a large scale reallocation process going on within extension. Regent Arenson asked whether Dr. Johnson planned a budget reduction and he responded that he did not. Regent Arenson asked President Jischke why there was a need to request appropriations for extension if there is a large reallocation process taking place in extension.

President Jischke responded that university officials are committed to matching appropriations with reallocations and with grants and contracts. University officials intend to build those resources with additional partnerships. Additional appropriations would provide a foundation that would allow extension to pursue some of these initiatives. There are needs across Iowa for extension work including precision agriculture, modern satellite and computer technology. There are very important questions about how that technology will be put into place which represents something new. Extension is also organizing, on an experimental basis, county-level discussions of agriculture and the environment. Extension is hoping to develop a process to convene leaders of counties to structure an agenda to tell Iowa State University officials what the counties would like to know. University officials hope this becomes a process by which Iowa begins to tackle its problems.

President Jischke stated that the prospects for agriculture today are extraordinarily bright. The supplies of commodities are at 2 to 3 decade lows. What he had described were examples of activities that were above and beyond what extension was doing now. If the university receives the requested resources, the funds will be leveraged. University officials were asking for the opportunity to pursue the appropriations which were decisive for the future of extension.

President Jischke referred to an earlier question regarding universities requesting more than inflationary adjustments. He agreed with President Coleman's statement that those increases were necessary in order for the institutions to become better. The universities also need to have the ability to be responsive to interests and support from the legislature and Governor. The policy of this Board is that the institutions cannot ask for any funding that is not approved by the Board as a request. University officials were asking for the opportunity to make the case. Whether the institutions should receive an adjustment in appropriations greater than inflation also has to do with the priorities of

Iowa. He said this state has invested more than the average in education. Education is a priority for this state.

President Jischke requested an adjustment to the Board Office recommendation for extension, stating that extension was absolutely key to Iowa State University's strategic plan.

Regent Kennedy asked if the current budget totaled \$53 million and if university officials were asking for an increase to that amount. President Jischke responded that university officials were asking for \$4 million in FY 1999 and \$4 million in FY 2000. He noted that \$20 million of the \$53 million budget was from state funds.

Regent Pellett stated that her family was receiving a group of Russian university presidents visiting Iowa. Her family was talking at home about some of the same issues as extension was proposing to address in an effort to find solutions. The restructuring of extension is a very important initiative.

President Jischke stated that extension's Project Sigma surveyed communities to determine the impact of economic development strategies. Those survey results are being used by the Governor and General Assembly to understand what is going on in the area of economic development in the state. He said that was important for public policy. An extension faculty member is dealing with housing needs of Iowans. Farming continues even after serious farming accidents. The professor helps families to reconfigure homes for handicapped accessibility.

President Jischke stated that Vice Provost Johnson has some ideas that will make extension more useful and more timely for Iowa in the future.

Regent Arenson asked for the history of state appropriations for extension. President Jischke stated that in the last 20 years extension has received salary adjustments and occasional one-time funding. For at least two decades there has not been an increase in the base budget appropriations other than for salary adjustments. There have not been real investments in the programmatic capabilities of extension. President Jischke believes there will be great receptivity to Stan Johnson's message.

Regent Arenson asked if there were any budgetary implications in the project approach to extension that would shift resources from extension to the colleges, or would extension continue to stand on its own. President Jischke responded that restructuring does not change the fundamentals of budgeting. For example, in the modern design of hog facilities, extension officials will work on the project with the College of Agriculture and the College of Engineering, with a fixed time line. The funds for the project will be allocated to the two colleges. When the program is over, those funds are then available

for another project. He stated that every one of the extension projects will have an external advisory committee. The plan is that the state funds will get leveraged.

Regent Kennedy stated that Bancroft was a Project Sigma community. The project was very usable for the community. It not only made the citizens feel good as a community but it also helped them to focus on what they need to be doing.

Regent Arenson stated that university officials were asking for a 20 percent increase in state appropriations for a \$53 million overall extension budget. What did university officials anticipate the annual budget would be if the additional appropriations were approved?

President Jischke stated that the \$53 million would increase to \$57 million. The question then is how much would be leveraged. He said Vice Provost Johnson could probably match the amount the first year and triple it over the next 3 to 4 years. In assessing extension over the last year, Vice Provost Johnson has come away with very high regard for the field staff of extension. He would like to give them the license to use their talents.

Regent Arenson asked what percentage of the budget was for salaries. Provost Kozak responded that approximately 70 to 75 percent of the budget was for salaries.

Mr. Richey stated that university officials listed the items that would be accomplished with the \$4 million which included place competitiveness, large scale landscape and distance education. He asked for the proportion for each of those.

President Jischke said he did not know the exact proportions. Roughly one-third of the total dollars over two years would go into place competitiveness.

Mr. Richey asked that university officials determine the proportion prior to the Board Office visit to discuss the appropriations request.

Regent Kennedy asked for clarification of the child care initiatives at Iowa State University. President Jischke stated that university officials believe there is demand for child care that is not being met. University officials have committed \$1.5 million in reallocated funds to the child care facility adjacent to the College of Veterinary Medicine. He noted that the facility would be dedicated in the fall. The first class of children will be served this fall. The new facility will double the capacity of the university for child care although it will only meet about one-half of the total demand. The children served are predominantly children of students. The university funded the facility out of internal reallocation. University officials believe that operating costs of the facility can be handled within the existing budget.

President Jischke stated that the appropriation request for child care is to increase the operating budget for child care including scholarships for students. The university currently has twice as many applications as slots.

Regent Lande asked how many people are employed in extension. President Jischke responded that extension has 1000 FTEs.

Regent Pellett asked whether those numbers would vary as extension moves into the project approach. President Jischke responded that overall it would not vary much.

Regent Lande said he would be interested in being provided with a breakdown of the number of employees in the extension offices. President Jischke responded that every county office has a director and a clerical person who is paid by county funds. Some offices have field specialists. The typical field specialist has responsibility for more than one county.

Regent Lande stated that it might be helpful to the Board to have the demographics breakdown. President Jischke stated that of the \$55 million budget, the state provides 40 percent, the counties provide \$10-12 million, the federal government provides a percentage, \$5 million comes from user fees, and \$5 million comes from grants and contracts.

ACTION: President Newlin stated the Board received the report on the FY 1999 and FY 2000 general fund operating appropriation request for Iowa State University and preliminary Board Office recommendations, by general consent.

(c) University of Northern Iowa. The Board Office recommended the Board receive the report on the FY 1999 and FY 2000 general fund operating appropriation requests of the University of Northern Iowa and preliminary Board Office recommendations.

The university's request and the Board Office preliminary recommendations for FY 1999 and FY 2000 state appropriations for operations for the University of Northern Iowa were as follows:

<u>University of No. Iowa</u>	FY 1999		FY 1999	
	<u>Request</u>	<u>% Increase</u>	<u>Recommend</u>	<u>% Increase</u>
General University	\$84,054,725	6.7	\$81,264,475	3.2
Institute for Decision Making	738,308	7.3	688,308	0.0

GENERAL
July 22-23, 1997

Recycling and Reuse Center	240,622	0.0	240,622	0.0
Metal Casting Center	166,349	0.0	166,349	0.0
Special Purpose	<u>250,000</u>	<u>new</u>	<u>0</u>	<u>0.0</u>
Total	<u>\$85,450,004</u>	<u>7.0</u>	<u>\$82,359,754</u>	<u>3.2</u>

	FY 2000		FY 2000	
University of No. Iowa	Request	% Increase	Recommend.	% Increase
General University	\$89,841,725	6.9	\$83,742,475	3.0
Institute for Decision Making	738,308	0.0	688,308	0.0
Recycling and Reuse Center	240,622	0.0	240,622	0.0
Metal Casting Center	166,349	0.0	166,349	0.0
Special Purpose	<u>250,000</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>
Total	<u>\$91,237,004</u>	<u>6.8</u>	<u>\$84,837,754</u>	<u>3.0</u>

The recommended amounts were exclusive of funds for Regents salary (4 percent) and health insurance (8 percent) increases which were estimated to be \$3.5 million (+4.4 percent) for FY 1999; the salary increases in FY 2000 will be determined after collective bargaining negotiations are completed for the 2000-2001 biennium.

Incremental appropriations for FY 1999 and FY 2000 as requested by the university and recommended by the Board Office were as follows:

	FY 1999		FY 2000	
	<u>Request</u>	<u>Recommend.</u>	<u>Request</u>	<u>Recommend.</u>
Salary Annualization	\$ 151,000	\$ 90,000	\$ 0	\$ 0
Inflation	855,000	609,750	905,000	650,000
Building Repairs	484,000	300,000	484,000	300,000
Opening New Buildings	65,900	65,900	298,000	278,000
Improving Undergraduate Education	1,500,000	500,000	1,500,000	600,000
Institutional Initiatives	2,300,000	950,000	2,600,000	650,000
Special Purpose	<u>250,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$5,605,900</u>	<u>\$2,515,650</u>	<u>\$5,787,000</u>	<u>\$2,478,000</u>

Salary annualization funding of \$90,000 for FY 1999 was recommended to pay merit salaries increments and benefits for which commitments have already been made.

Inflation funding for goods and services was recommended at 2.5 percent for general expenses and utilities and 12.0 percent for libraries.

Additional building repair funding was recommended at \$300,000 for both fiscal years.

Opening new building costs were based on anticipated opening dates for the remaining portion of the Wellness Recreation Center and the Performing Arts Center.

Improving undergraduate education was recommended at \$500,000 for FY 1999 and \$600,000 for FY 2000.

The FY 1999 and FY 2000 recommendations assume continuation of the following items at the current level of funding:

- The Institute for Decision Making which received \$688,308 of state appropriations for FY 1998.
- The Recycling and Reuse Center, funded at \$240,622 in FY 1998.
- The Metal Casting Center, which received state appropriation funding of \$166,349 in FY 1998.

Institutional Initiatives

	<u>FY</u> <u>Request</u>	<u>1999</u> <u>Recommend</u>	<u>FY</u> <u>Request</u>	<u>2000</u> <u>Recommend</u>
Global Education and Work Experience	\$1,000,000	\$450,000	\$ 0	\$150,000
Preparation and Development of Special Education Teachers	500,000	200,000	0	200,000
Center for Conflict Analysis and Resolution	250,000	0	0	0
Teacher Education for the 21 st Century	500,000	300,000	500,000	300,000
Masters in Social Work	0	0	400,000	0
Student Transition: Enhancing the Student Learning Qualities of an Educated Person	0	0	1,000,000	0
Expanded Outreach: ACCESS to Education	0	0	500,000	0
Institute for Decision Making	0	0	200,000	0
	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$2,300,000	\$950,000	\$2,600,000	\$650,000

The recommended additional appropriations for institutional initiatives included \$950,000 in FY 1999 and \$650,000 in FY 2000 for:

- Global Education and Work Experience of \$450,000 for FY 1999 and \$150,000 for FY 2000;
- Preparation of Special Education Teachers of \$200,000 for each fiscal year; and
- Teacher Education for the 21st Century of \$300,000 for each fiscal year.

President Koob said the general approach University of Northern Iowa officials take in determining appropriations requests is to identify what can be done internally to make the institution better. Secondly, they look at what the state needs. The first initiatives that were proposed focused on improving the university. The second set of initiatives responded to what university officials perceive as needs in the state.

President Koob referred to an earlier question about universities' appropriations request increases being larger than inflationary increases. He said there were several forces at play regarding the university's need to improve internally. There is a rapidly changing marketplace and a rapidly changing world of work. Individuals need more advanced

education to deal with those changes. The university must add value to more people. There is more than one way for people to learn. There is a wide range of instructional technology available that allows a university to customize the way people learn and shift some of the responsibility for learning from the teacher to the student. He said all of the proposed improvements in undergraduate education are geared to changing the learning environment for the student.

One of the University of Northern Iowa proposals is a paired set of initiatives: the student transition initiative and an internal initiative which speaks to the changing rural environment. With regard to international internship or work experience, President Koob said it is more expensive to place a student teacher internationally. The global initiative tries to provide such opportunities for students and particularly for Iowa residents.

President Koob said the special needs for the state that the University of Northern Iowa is trying respond to relate specifically to the changing needs of education. University officials brought to the Board last year an initiative to expand the capacity of the special education program, which he said is a world-class program. University officials have had to restrict the enrollment in that program. Another state need that was not included addresses the need for vocational education teachers which are in short supply. University officials proposed a cooperative initiative with community colleges to address that need.

President Koob stated that the educational needs for high school students to prepare for the work place were almost the same as the college prep program; however, most students not anticipating attending college do not take college prep courses. He said there needs to be a rethinking of the way teachers are teaching in K-12 and beyond. There need to be teachers who understand how to reach students who have a vocational bend. Preparing teachers for the 21st century was an important initiative of the university.

President Koob provided an example of an important initiative which the Board Office had not recommended for funding: the Center for Conflict Analysis and Resolution. The center would have an impact on violence in schools by teaching conflict resolution skills to students in K-12 schools. He said conflict resolution is a skill that can be learned.

President Koob said he understood that there were only so many initiatives that the Board could approve at one time. University officials would like to have the opportunity to seek certain kinds of funds for some special programs. He referred the Regents to the university's request for special purpose appropriations. University officials would

like an enabling sentence to allow the university to seek funding for those special initiatives such as the criminal justice initiative and the Institute for Decision Making.

Regent Lande referred to the Institute for Decision Making and said he expected that two of its constituencies would be chambers of commerce and development corporations. What outside funding sources would there be for the criminal justice initiative?

President Koob responded that the Department of Corrections had supported the initiative for the last two years. University officials would like ask them to continue that support.

Mr. Richey stated that President Koob was talking about a state appropriation from another state agency's budget.

Regent Lande stated that funds from chambers or development corporations are largely contributed funds by the communities, not tax dollars. He said it would be helpful to know the tax dollars the university was proposing to request.

Regent Pellett asked whether the Institute for Decision Making was becoming self-supporting. President Koob responded that the institute was becoming a self-supporting operation. It is a popular program within the state. University officials are pursuing multiple sources of support for the institute.

Mr. Richey stated that state appropriations come from a finite pot of funds. If the university is going to request funds for an initiative it may as well request it directly. Last year the Board Office did recommend appropriations for the criminal justice initiative. The Institute for Decision Making is an entity within the budget of the University of Northern Iowa. The university receives an appropriation in the base budget. The request was that the amount be augmented by a state appropriation in another state agency's budget. Mr. Richey cautioned that was not good policy.

President Koob stated that the request was an attempt to enlarge a popular service for the state.

Mr. Richey said that if that was what they were going to do, they should do it straight up.

ACTION: President Newlin stated the Board, by general consent, received the report on the FY 1999 and FY 2000 general fund operating appropriation requests of the University of Northern Iowa and preliminary Board Office recommendations.

(d) Iowa School for the Deaf. The Board Office recommended the Board receive the report on the FY 1999 and FY 2000 general fund operating appropriation requests of the Iowa School for the Deaf and preliminary Board Office recommendations.

The Board Office recommendation for state operating appropriations for the Iowa School for the Deaf was \$7,334,194 (+2.4 percent) for FY 1999 and was \$7,469,072 (+1.8 percent) for FY 2000.

The recommended amounts are exclusive of funds for Regents salary (4 percent) and health insurance (8 percent) increases which were estimated to be \$257,824 (+3.6 percent) for FY 1999; the salary increases in FY 2000 will be determined after collective bargaining negotiations are completed for the 2000-2001 biennium.

The Iowa School for the Deaf's request for state operating appropriations for FY 1999 was \$7,766,561 (+8.0 percent) and for FY 2000 was \$8,387,886 (+8.0 percent).

Incremental appropriations for FY 1999 and FY 2000 as requested by the school and recommended by the Board Office were as follows:

	<u>FY 1999</u> <u>Request</u>	<u>FY 1999</u> <u>Recommendation</u>	<u>FY 2000</u> <u>Request</u>	<u>FY 2000</u> <u>Recommendation</u>
Salary Annualization	\$ 9,623	\$ 9,623	\$ 0	\$ 0
Inflation	60,768	38,310	63,213	39,878
Building Repairs	45,566	35,000	52,865	35,000
Institutional Initiatives	<u>459,343</u>	<u>90,000</u>	<u>505,247</u>	<u>60,000</u>
Total	\$575,300	\$172,933	\$621,325	\$134,878

Salary annualization funding of \$9,623 for FY 1999 was recommended to pay merit salaries increments and benefits for which commitments have already been made.

Inflation funding for goods and services was recommended at 2.5 percent for general expenses and utilities and 12.0 percent for libraries.

The Board Office recommended retention of the FY 1998 \$30,000 one-time appropriation for the purchase of a computerized photographic processing workstation for the vocational education program.

Institutional Initiatives

	FY <u>Request</u>	1999 <u>Recommendation</u>	FY <u>Request</u>	2000 <u>Recommendation</u>
Technology	\$ 150,000	\$ 0	\$155,000	\$ 0
Vocational Education	79,000	60,000	90,643	60,000
Math/Science	53,443	0	74,350	0
Behavioral Disorder Consultant	131,900	0	140,254	0
Library	15,000	0	15,000	0
In-Service Staff Training	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
	\$459,343	\$90,000	\$505,247	\$60,000

Additional recommended funding for institutional initiatives included \$30,000 in FY 1999 and \$60,000 in FY 2000 for vocational education and \$30,000 in FY 1999 for in-service staff training.

Superintendent Johnson expressed appreciation for the support of the Board Office for several initiatives that were requested, particularly the support for the technology request. He asked for consideration for two projects which were not recommended by the Board Office for funding. With regard to the behavioral disorder consultant, he stated that from time-to-time the local school districts request assistance in that area from the Iowa School for the Deaf. There is an expectation that the Iowa School for the Deaf can immediately handle schools districts' requests, but it cannot. With regard to the math/science initiative, Superintendent Johnson stated that math and science is a tremendous focus for all K-12 programs. The 31 school districts in southwest Iowa have determined what is needed for an appropriate education for all its students.

Superintendent Johnson stated that school officials would work with what they get. He expressed appreciation for support in the vocational education area.

Regent Lande asked for an explanation of why the math/science initiative and behavioral disorder consultant were not recommended by the Board Office. Mr. Richey said he felt that the math/science initiative could be accomplished through reallocation. The behavior disorder consultant is a major new program for the Iowa School for the Deaf. The request before the Board at this time would just be the beginning. The total cost would be \$.5 million to \$.75 million by the time it was fully developed. The consultant would be a highly-skilled professional. He said there are programs in other states where they have to pay quite a bit for the services but there is that option.

Regent Pellett asked if there was something that could be done cooperatively with the AEAs. Superintendent Johnson said school officials have had discussions with AEA

13. School officials are looking at what is available for the general hearing population and seeing how Iowa School for the Deaf students could access those services. The Department of Human Services is sometimes able to help. If the school is able to access the services on a contract basis from an organization that is already fully staffed, it would be less expensive in the long run to utilize those resources.

ACTION: President Newlin stated the Board received the report on the FY 1999 and FY 2000 general fund operating appropriation requests of the Iowa School for the Deaf and preliminary Board Office recommendations, by general consent.

(e) Iowa Braille and Sight Saving School. The Board Office recommended the Board receive the report on the FY 1999 and FY 2000 general fund operating appropriation requests of the Iowa Braille and Sight Saving School and preliminary Board Office recommendations.

The Board Office recommendation for state operating appropriations for the Iowa Braille and Sight Saving School for FY 1999 was \$4,078,916 (+2.3 percent) and for FY 2000 was \$4,164,355 (+2.1 percent).

The recommended amounts were exclusive of funds for Regents salary (4 percent) and health insurance (8 percent) increases which were estimated to be \$150,344 (+3.8 percent) for FY 1999; the salary increases in FY 2000 will be determined after collective bargaining negotiations are completed for the 2000-2001 biennium.

The Iowa Braille and Sight Saving School's request for state operating appropriations for FY 1999 was \$4,239,213 (+6.3 percent) and FY 2000 was \$4,353,899 (+4.0 percent).

Incremental appropriations for FY 1999 and FY 2000, as requested by the school and recommended by the Board Office, were as follows:

	FY 1999 <u>Request</u>	FY 1999 <u>Recommendation</u>	FY 2000 <u>Request</u>	FY 2000 <u>Recommendation</u>
Salary Annualization	\$ 10,473	\$10,473	\$ 0	\$ 0
Inflation	30,867	19,591	32,165	20,439
Building Repairs	24,521	25,000	24,521	25,000
Institutional Initiatives	<u>184,500</u>	<u>35,000</u>	<u>110,000</u>	<u>40,000</u>
	\$250,361	\$90,064	\$166,686	\$85,439

Salary annualization funding of \$10,473 for FY 1999 was recommended to pay merit salaries increments and benefits for which commitments have already been made.

Inflation funding for goods and services was recommended at 2.5 percent for general expenses and utilities and 12.0 percent for libraries.

Institutional Initiatives

	<u>FY</u> <u>Request</u>	<u>1999</u> <u>Recommendation</u>	<u>FY</u> <u>Request</u>	<u>2000</u> <u>Recommendation</u>
Staff Development	\$35,000	\$35,000	\$ 0	\$ 0
Assistive Devices	32,000	0	0	0
Educational Supplies	20,000	0	20,000	0
Assistive Device Training Center	17,500	0	0	0
Teacher Preparation Program	30,000	0	0	0
Vocational Program	0	0	40,000	40,000
Outreach Technical Assistance	<u>50,000</u>	<u>0</u>	<u>50,000</u>	<u>0</u>
Total	184,500	35,000	110,000	40,000

Recommended funding for institutional initiatives included \$35,000 in FY 1999 for staff development activities and \$40,000 in FY 2000 for expansion of the school's vocational program.

The Iowa Braille and Sight Saving School's request for technology funding was included in the Regent-wide technology request which included \$50,000 each of the three fiscal years, FY 1999 - FY 2001, for a total request of \$150,000.

Superintendent Thurman thanked the Board Office for its support for the school's basic needs. He stated that Iowa Braille and Sight Saving School is at a crossroads of which the budget was reflective. He said he has completed interviews with all 15 AEA directors as well as service providers and consultants to the school. What was being recommended was a truly different type of school than Iowa Braille and Sight Saving School is currently. There have been hundreds of recommendations for the school to do things in a different context including year-round programming capability, focusing services, providing basic support services versus basic educational programming. He said it was mandatory for school officials to bring to the Board a new strategic plan. One of the aspects of the new strategic planning process will be a close look at the present funds and how to reallocate to meet the new demands placed on the school by its customers. School officials will present some very interesting and exciting plans.

Superintendent Thurman referred to initiatives in the school's budget that received a recommendation from the Board Office for no funding. He said he looked forward to having some conversations about those recommendations with Mr. Richey next month.

Regent Lande stated that there were five programs proposed by school officials for which the Board Office recommended no funding. He said he was interested in the

rationale for the Board Office recommendation especially with regard to the assistive devices and the training center requests.

Mr. Richey responded that the recommendation related to what Superintendent Thurman had just described as the process the school was currently undergoing to reassess its direction. The Board Office needs to look at the kinds of programs that will be offered at that institution and what reallocations and restaffing may be necessary. Mr. Richey has a meeting scheduled with school officials to discuss the initiatives in greater depth.

ACTION: President Newlin stated the Board received the report on the FY 1999 and FY 2000 general fund operating appropriation requests of the Iowa Braille and Sight Saving School and preliminary Board Office recommendations, by general consent.

(f) Regional Study Centers. The Board Office recommended the Board receive the reports on the regional study centers' FY 1999 and FY 2000 State of Iowa operating appropriation requests and the Board Office preliminary recommendations.

Recommended State of Iowa appropriation amounts for FY 1999 and FY 2000 were as follows:

Center	FY 1998 Iowa Appropriation Base	FY 1999 Recommended Amount from State of Iowa	FY 2000 Recommended Amount from State of Iowa
Quad-Cities Graduate Study Center	\$162,570	\$163,969	\$165,385
Tri-State Graduate Study Center	\$ 79,198	\$ 80,046	\$ 80,907
Southwest Iowa Regents Resource Center	\$108,562	\$109,197	\$109,846

The recommendations included a 2.5 percent general inflationary cost increase based on the State of Iowa appropriated funds share of the centers' FY 1998 non-personnel costs.

The recommended amounts were exclusive of funds for salary increases.

The regional study centers requested the following amounts from the State of Iowa for FY 1999 and FY 2000:

Center	FY 1998 Iowa Appropriation Base	FY 1999 Requested Amount from State of Iowa	FY 2000 Requested Amount from State of Iowa
Quad-Cities Graduate Study Center	\$162,570	\$169,072	\$178,162
Tri-State Graduate Study Center	\$ 79,198	\$ 81,574	\$ 84,021
Southwest Iowa Regents Resource Center	\$108,562	\$134,985	\$142,936

The request of the Quad-Cities Graduate Study Center for FY 1999 included a 4 percent increase on the State of Iowa's share of the center's personnel and non-personnel costs.

The Quad-Cities Graduate Study Center request for FY 2000 included \$6,762 for a proportional share of the cost of replacing a satellite dish with an upgraded model; it was not cost effective to repair the current dish.

The Tri-State Graduate Study Center requested funding based upon a 3 percent increase in income from all sources, the states of Iowa, Nebraska, and South Dakota.

The request of the Southwest Iowa Regents Resource Center included additional funds to fund fully with State of Iowa appropriations the coordinator's and secretary's positions at 1 FTE each; the salaries have been partially paid by the State Extension and Continuing Education Council.

The FY 1999 budget request of the Southwest Iowa Regents Resource Center also included additional funds for increased rental costs necessitated by the move into larger space and funds for a new telephone system.

The center's request for FY 2000 included increased funds for rent, equipment maintenance, a computer upgrade for the secretary, and additional funds for course delivery and other programs and services.

ACTION: President Newlin stated the Board received the reports on the regional study centers' FY 1999 and FY 2000 State of Iowa operating appropriation requests and the Board Office preliminary recommendations, by general consent.

(g) Iowa Lakeside Laboratory. The Board Office recommended the Board receive the report on the FY 1999 and FY 2000 general fund operating appropriation request of the Iowa Lakeside Laboratory and the Board Office preliminary recommendation.

The Board Office preliminary recommendation for operations for the Lakeside Laboratory was \$340,627 for FY 1999 and \$342,922 for FY 2000.

The recommended amounts to be funded from the operating budgets of the universities were \$315,627 in FY 1999 and \$317,922 in FY 2000; these amounts included an inflationary cost increase of 2.5 percent on the non-personnel components of the laboratory's FY 1998 budget.

The recommended amounts were exclusive of funds for salary increases.

The sum of \$25,000 was recommended to be requested from the General Assembly for the summer session teaching program; this amount would become part of the base budget of the Laboratory.

The requested funds would be used to pay Lakeside faculty who have been paid from grant funds or other sources than the Lakeside Laboratory budget, hire teaching assistants to increase the number of students who can be enrolled in popular courses, and to purchase additional equipment and supplies needed because of increased enrollments and expansion of the teaching program.

Courses offered for teachers have been underwritten by a grant from the Howard Hughes Medical Foundation to Iowa State University; this is the last year of this grant.

Some faculty have donated their time to the laboratory; sufficient funding is needed to pay these individuals for the courses they teach.

This summer enrollment in ten courses was closed; additional funds will enable the laboratory to hire teaching assistants, permitting course enrollment to increase and more students to be served.

Increased enrollment and the expansion of the teaching program require additional equipment and supplies, including microscope illuminators, ovens, balances, and sampling nets and dredges.

The Board Office preliminary recommendations for capital improvements for FY 2001 included \$140,000 to renovate the fieldstone teaching laboratory facilities; this amount was not included in the operating budget request.

The request from the Iowa Lakeside Laboratory Coordinating Committee totaled \$365,669 for operations for FY 1999 and \$369,804 for operations for FY 2000.

The Iowa Lakeside Laboratory Coordinating Committee requested funding for added support for the library and funds to lease a maintenance vehicle; funding for these initiatives was not recommended.

ACTION: President Newlin stated the Board received the report on the FY 1999 and FY 2000 general fund operating appropriation request of the Iowa Lakeside Laboratory and the Board Office preliminary recommendation, by general consent.

(h) Board Office. The Board Office recommended the Board receive the preliminary budget request for the Board Office for fiscal years 1999 and 2000.

The proposed budget for fiscal year 1999 utilized the base budget for fiscal year 1998 as adjusted by price inflation of 2.5 percent.

The proposed budget for fiscal year 2000 assumes the same level of activity and expenditures as fiscal year 1998 as adjusted further by 2.5 percent for price inflation.

The budgets for the Facilities Officer, Associate Director of Information Systems and the Assistant Director of Business and Finance are a part of the University of Iowa budgets, financed jointly by the institutions and have also been adjusted by the 2.5 percent price inflation.

MOTION: Regent Lande moved to receive the preliminary budget request for the Board Office for fiscal years 1999 and 2000. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

(i) Request for Computer 2000 Conversion Costs. The Board Office recommended the Board receive the report on the FY 1999 request for Year 2000 computer conversion costs.

Converting computer systems to handle the century date change of the Year 2000 is a complex problem that requires significant resources; the solutions for this technology problem have a time certain deadline for correction of January 1, 2000.

The Regent institutions have been analyzing the needed changes and devoting extensive resources to solve the Year 2000 technology problem at the institutions for several years.

During the 1997 General Assembly, legislation was passed to provide up to \$15 million in a Reversion Incentive Program Fund to support the implementation of the century date changes for the state.

The Regent institutions estimate that the general fund computer conversion costs for FY 1998 will total \$1.9 million, as detailed below:

University of Iowa	\$ 816,000
Iowa State University	480,500
University of Northern Iowa	485,680
Iowa School for the Deaf	85,000
Iowa Braille and Sight Saving School	0
Total	<u>\$1,867,180</u>

More resources will be needed in FY 1999 for the University of Iowa and Iowa State University to complete the computer conversion before the Year 2000; the University of Northern Iowa, Iowa School for the Deaf, and Iowa Braille and Sight Saving School are expected to complete the computer conversion for the Year 2000 during FY 1998.

The estimated FY 1999 general fund computer conversion costs for the Regent institutions total \$1.2 million.

University of Iowa	\$ 816,000
Iowa State University	<u>367,500</u>
Total	<u>\$1,183,500</u>

ACTION: President Newlin stated the Board received the report on the FY 1999 request for Year 2000 computer conversion costs, by general consent.

PRELIMINARY FIVE-YEAR CAPITAL IMPROVEMENT PLAN, FY 1999-FY 2003. The Board Office recommended the Board (1) receive the Board Office preliminary recommendation of \$210,518,000 for the five-year general/infrastructure fund capital program for FY 1999 - FY 2003; (2) give preliminary approval of the five-year program of \$55,983,000 for the University of Iowa Hospitals and Clinics; and (3) receive the report on all funds five-year capital plans of \$222,818,000 for the universities and special schools.

General/Infrastructure Fund Capital Program FY 1999 - FY 2003

The Board Office preliminary recommendation was for a five-year capital improvement program of \$210,518,000 funded by capital appropriations.

The recommendations emphasize major remodeling and focus on academic/ instructional facilities; they identify and provide for critical needs related to the missions of each institution.

The amount recommended for each project included in the five-year plan will be subject to intensive review and consultation with the institutions prior to the September Board meeting.

A capital program of \$66.1 million was recommended by Governor Branstad and authorized by the 1996 General Assembly for the FY 1997 - FY 1999 period and a capital program of \$70.4 million was authorized by the 1997 General Assembly for the FY 1998 - FY 2001 period; these funds were not included in the institutional requests.

All projects requested by the Board last year for FY 1999 were funded beginning in FY 1998 with the exception of the Physics Building Renovation at the University of Northern Iowa (\$3.9 million) and Macbride Hall Remodeling at the University of Iowa (\$3 million). The institutions dropped these projects from their requests for FY 2001.

As per previous agreements, there is no new capital improvement program for the universities for FY 1999 and FY 2000; funds were recommended for the special schools for these years.

The institutional capital improvement requests and Board Office preliminary recommendations for FY 1999 - FY 2003 were as follows:

<u>Institution</u>	<u>Total Request (\$ thousands)</u>	<u>Total Recommendation (\$ thousands)</u>
SUI	\$138,266	\$ 83,726
ISU	130,730	75,880
UNI	84,700	49,500
ISD	10,135	861
IBSSS	1,245	411
Regents/Lakeside Lab	749	140
Total	\$365,825	\$210,518

The Board Office preliminary recommendation for the FY 2001 capital program to be financed by state appropriations was \$66.4 million including \$61.2 million in projects as listed below in priority order.

<u>Inst.</u>	<u>Project</u>	<u>FY 2001 Recommended Funding*</u>
UNI	Steam Distribution System Replacement, Phase 1	\$ 3,400,000
ISU	Gilman Hall Addition - Systems Upgrade	8,500,000
SUI	Biology Renovation / Addition, Phase 2	13,676,000
UNI	Biology Center Addition	10,000,000
ISU	Morrill Hall Deferred Maintenance & Remodel	7,600,000
Regents	Lakeside Laboratory Improvements	140,000
SUI	Art Building	6,700,000
UNI	East Gym Renovation	1,500,000
ISU	Livestock Units for Swine & Cattle Research	4,420,000
ISU	LeBaron Hall - Systems Upgrade	1,560,000
SUI	Steam Distribution Infrastructure	1,000,000
SUI	Power Plant - East Egress Steam Tunnel	1,561,000
SUI	Power Plant - Second Ash Silo	1,144,000
	Total Recommended Projects	\$61,201,000

* Additional funding for some projects was recommended for FY 2002 and FY 2003

University of Northern Iowa officials substituted as its top priority a \$14.3 million Biology Center Addition project for the \$3.9 million Physics Building Renovation project.

In view of the urgent need to begin to replace the steam distribution system at the University of Northern Iowa and the relative size of this project compared to the Physics

Building Renovation, the Steam Distribution System Replacement, Phase 1 project (\$3.4 million) was the Board Office top priority.

The Gilman Hall Addition - Systems Upgrade project at Iowa State University was the second priority; this project, which will replace the heating, ventilating and air conditioning and fume hood exhaust systems in the 1965 addition, was the university's highest priority and this ranking was consistent with the university's past submissions.

The Biology Renovation/Addition Phase 2 project was the top priority of the University of Iowa and the Board Office third priority; this project, which was included in previous five-year capital programs, will renovate the remainder of the biology complex after construction of the addition (funded in the Phase 1 project) is completed.

The university will fund internally the Macbride Hall Auditorium Renovation project (\$2 million); renovation of the auditorium was a major component of the Macbride Hall Remodeling project for which state funds were requested.

The Board Office preliminary recommendation for the five-year plan is realistic in light of projected available revenue and addresses relative needs among the institutions.

Some of the projects requested by the institutions require further study. The Board Office recommended that before the state makes an investment of \$10 million for the Price Lab School Renovation that the future of the laboratory school be reviewed again in light of all the K-12 reforms taking place and the changing nature of teacher education programs. Iowa Braille and Sight Saving School officials requested funding of \$250,000 in FY 2002 to demolish the heating plant; in light of recently-enacted Brownfields legislation, alternative methods to accomplish the needed work will be evaluated.

Funding was recommended in some instances in a fiscal year different than the year in which it was requested; the recommended amounts may differ from the amounts requested.

It was recommended that the lower priority institutional projects be deferred into the out years.

Approval of this five-year capital program did not constitute approval of specific projects but was an estimate of future capital needs.

All state agencies must submit five-year capital project priority plans to the Legislative Capital Projects Committee no later than November 1 of each year. The Board is required by statute to submit a five-year building program to the General Assembly at the beginning of each legislative session.

Mr. Richey stated that capital plans may have some differences in priority between the institutions and the Board Office. What was recommended honors the understanding with the Governor and General Assembly. The understanding was that in order for the Regents to receive \$70 million in capital appropriations during the last legislative session the Regents would not request additional funds until fiscal year 2001. The same type of understanding was reached with the Governor in the prior fiscal year. The Regents made a biennial request in the past session for FY 1999. The legislature advance funded, beginning in FY 1998, projects requested for FY 1999 with the understanding that the Regents would not request funds for 2 full years. An agreement was reached to that effect. The agreement did not include the special schools. The institutions will concentrate on completing the projects for which funding was received. He noted that it was a major building program. The institutions are not bereft of capital undertakings.

President Newlin asked about the 5-year capital program at the University of Iowa Hospitals and Clinics. Mr. Richey said it would be reviewed further prior to the September Board meeting.

Regent Arenson asked if the Regents would receive adjustments to the recommendations well before the September meeting. Mr. Richey stated that the September Board meeting comes early this year. Consultation with institutional officials begins during the week of August 18. It would be difficult to get the materials out to the Regents very much in advance of the regular docket schedule.

President Coleman stated that the Board Office did a good job of reflecting the priorities of the University of Iowa. University officials would like to have an opportunity to work further with the Board Office on the recommendations. She noted that university officials were not asking for state funds for the University of Iowa Hospitals and Clinics capital plan.

President Coleman discussed the priorities of the University of Iowa. She said the top priority is the Biology Addition Phase 2. Funding for phase 1 of the overall project is now in hand. The design phase is taking place. The biology buildings were built in 1902 and 1903; the addition was built in the 1960s. She said the facility is completely out of date. There has been a tremendous increase in the number of students electing biology as a major. In order to allow the project to go forward, an addition to the biology complex is being built, the money for which was included in phase 1. She said tremendous work is being done in biology. The project was an important area for the university and was consistent with the strategic plan of the university.

President Coleman stated that the second priority of the university is a new art building. She said the University of Iowa's print program is ranked #1 in the country. The school of

art and art history is ranked #6 in the country. The studios are not what they should be. The art building's first phase was built in the 1930s. An addition was built in the 1960s. The building was damaged in the flood of 1993. She said this was an enormously important project for the university. University officials can leverage the state funds with private funding. University officials feel strongly about maintaining the excellence of the art programs.

President Coleman discussed several more priority projects of the University of Iowa including the Chemistry Building auditorium renovation and east wing renovation. She noted that the auditorium was one of the largest on campus. Internal reallocations were being utilized to renovate another auditorium on campus. The auditorium renovation project coincides closely with the Chemistry Building east wing renovation. She said the chemistry department has a very ambitious recruiting program. The university has to provide spaces for modern research. With regard to the Communications Center remodeling, she said the facility has a reasonable shell but the inside is deplorable. The building houses the university's top-rated journalism program.

President Jischke stated that Iowa State University officials intend to abide by the agreement with the Governor and legislature regarding capital requests for the next 2 years. University officials have had enormous success in private fund raising to match state funding for the engineering and intensive livestock facilities. He said the capital recommendations of the Board Office do reflect the priorities of the university. All of the requests are for renovations and represent significant investment in refurbishing facilities. University officials have commitments of other funds that will more than match the \$70 million requested. University officials will leverage the state investments. Very good progress is being made in improving the physical condition of Iowa State University.

President Koob stated that the recommendations of the Board Office reflect the priority list of the University of Northern Iowa. The steam distribution tunnel is a significant need as was the Biology Center addition. The addition would be occupied by biology and would allow an expansion of chemistry and physics.

Superintendent Johnson expressed appreciation for the support of the Board Office for three projects for the school. He expressed disappointment regarding the Board Office recommendation concerning the recreation center. He said the project was moved down 4 more years.

Regent Lande stated that the current recreation center on the Iowa School for the Deaf campus is ancient and does not serve the purpose for which it was intended. The question was whether Superintendent Johnson can leverage state funds. The estimated cost was \$4.5 million. How much money did Superintendent Johnson expect to raise privately?

Superintendent Johnson said he hoped by the time of the September Board meeting to be able to answer that question more specifically. The school awarded a contract to a group to investigate the possibility of raising private funds. School officials hope to raise \$1 million to \$2 million in private funds for that project.

Mr. Richey stated that this project has been around for 5 to 6 years. The Board Office recommended planning money several years ago. School officials used the money to develop sketches which it was thought would aid in the fund raising. He said the private funding portion of this project has always been in the picture. The earlier efforts did not yield any money. An affiliated organization called the ISD Foundation was created to be the fund raising arm of the school. One reason the project is so far out in the future is pending the results of the study of external funding for the project. If the receipt of external funding is imminent, there is no problem moving the project up to fiscal year 2000.

Regent Lande said it was his recollection that the use of Iowa School for the Deaf's swimming pool was greatly limited now. Do Iowa School for the Deaf students have the opportunity to utilize the swimming pools of other schools within the community?

Superintendent Johnson stated that there are two alternatives for swimming pool use. The Lewis Central pool is used for competition at almost the same times as ISD students would wish to use it. The same was the case with the Council Bluffs school. Students would also enjoy the pool more if the water was warmer than tap water. It is not convenient for instructional purposes to access the other schools' swimming pools.

Regent Arenson asked what was anticipated to be included in the recreation center. Superintendent Johnson stated that in addition to a gymnasium and a pool there would also be classrooms and lifetime sports such as handball.

Superintendent Thurman stated that Iowa Braille and Sight Saving School officials had included the boiler plant request as a reminder that it was an ongoing issue. Iowa State University officials are helping school officials to write a Request for Proposals to sell the facility. He said two organizations within the community may be interested in buying the boiler plant.

ACTION: President Newlin stated the Board, by general consent, (1) received the Board Office preliminary recommendation of \$210,518,000 for the five-year general/infrastructure fund capital program for FY 1999 - FY 2003; (2) gave preliminary approval of the five-year program of \$55,983,000 for the

University of Iowa Hospitals and Clinics; and (3) received the report on all funds five-year capital plans of \$222,818,000 for the universities and special schools.

CAPITAL IMPROVEMENT REQUESTS FOR THE SPECIAL SCHOOLS FOR FY 1999 AND FY 2000. The Board Office recommended the Board (1) receive reports on the FY 1999 and FY 2000 capital improvement requests of the special schools and the Board Office preliminary recommendations of \$275,000 for FY 1999 and \$397,000 for FY 2000; and (2) receive preliminary tuition replacement appropriation requests of \$28,416,854 for FY 1999 and \$28,535,897 for FY 2000.

Tuition replacement appropriations represent an ongoing commitment of the Governor and General Assembly to meet the debt service cost of Academic Building Revenue Bonds. The Board was asked to receive preliminary tuition replacement appropriation requests of \$28,416,854 for FY 1999 and \$28,535,897 for FY 2000.

The Board Office preliminary recommendations for capital funding for the special schools for FY 1999 and FY 2000 focus on fire safety, access for people with disabilities and deferred maintenance needs.

The following table details the requested and recommended projects for FY 1999; the requests were shown in institutional priority order:

GENERAL
July 22-23, 1997

	<u>FY 1999 Request</u>	<u>FY 1999 Recommendatio n</u>
<u>Iowa School for the Deaf</u>		
Recreation Center	\$ 60,000	\$ 0
Utility System Replacement	50,000	0
Visual Warning System	100,000	100,000
Fire/Safety Standards	150,000	50,000
Telephone System	100,000	50,000
Access for People with Disabilities	200,000	0
Roof Replacement	147,000	0
Asbestos Abatement	315,000	0
Underground Storage Tanks	150,000	0
Subtotal	\$1,272,000	\$200,000
 <u>Iowa Braille and Sight Saving School</u>		
General Deferred Maintenance	\$ 48,000	\$ 75,000
Campus Wide Refurbishing	47,000	0
Subtotal	\$ 95,000	\$ 75,000
GRAND TOTAL	\$1,367,000	\$275,000

The following table details the requested and recommended projects for FY 2000; the institutional requests were shown in priority order:

	<u>FY 2000 Request</u>	<u>FY 2000 Recommendation</u>
<u>Iowa School for the Deaf</u>		
Recreation Center	\$4,200,000	\$ 0
Utility System Replacement	350,000	0
Fire/Safety Standards	0	50,000
Telephone System	0	50,000
Access for People with Disabilities	100,000	39,000
Roof Replacement	80,000	147,000
Asbestos Abatement	705,000	0
Tuckpointing	173,000	0
Subtotal	\$5,608,000	\$286,000
 <u>Iowa Braille and Sight Saving School</u>		
Campus Wide Refurbishing	\$ 103,000	\$ 0
Disabled Student Accessibility	36,000	36,000
General Deferred Maintenance	0	75,000
Subtotal	\$ 139,000	\$111,000
GRAND TOTAL	\$5,747,000	\$397,000

Projects requested for funding in FY 1999 may be recommended for funding in FY 1999 or FY 2000.

The feasibility study for the Iowa School for the Deaf Recreation Complex (FY 1999 request), which would determine the school's needs and the associated costs to construct the building, was included in the five-year capital priority plan in FY 2003.

It was recommended that the Iowa School for the Deaf utility system replacement study (FY 1999 request), which would provide a comprehensive mechanical system analysis of the utility distribution system and the boilers, be funded internally by the school during FY 1998.

No funding was recommended for asbestos abatement or underground storage tank removal for the Iowa School for the Deaf; these are the lowest priorities of the school.

The request of Iowa Braille and Sight Saving School for campus refurbishing can be accommodated within the recommended deferred maintenance funding.

ACTION: President Newlin stated the Board, by general consent, (1) received reports on the FY 1999 and

FY 2000 capital improvement requests of the special schools and the Board Office preliminary recommendations of \$275,000 for FY 1999 and \$397,000 for FY 2000; and (2) received preliminary tuition replacement appropriation requests of \$28,416,854 for FY 1999 and \$28,535,897 for FY 2000.

INSTITUTIONAL ROADS PROGRAM. The Board Office recommended the Board (1) approve the recommended six-year institutional roads program for calendar years 1998 through 2003 totaling \$9,137,486, including projects totaling \$1,523,001 for 1998, and (2) receive the list of identified, unfunded institutional roads needs at the Regent institutions totaling \$21,152,900.

Funds for reconstruction, improvements and maintenance of the roads and streets at the Regent institutions are provided by the state parks and institutional roads program of the Iowa Department of Transportation.

The calendar year 1998 allocation to the Board of Regents is \$1,873,001, of which \$350,000 was allocated for maintenance, leaving \$1,523,001 for capital projects.

The 1998 allocation was \$102,160 higher than the allocation for calendar year 1997.

The recommended institutional roads program for 1998 for capital projects totals \$1,523,001, as follows:

University of Iowa	\$ 592,000
Iowa State University	592,000
University of Northern Iowa	296,001
Iowa School for the Deaf	23,000
Iowa Braille and Sight Saving School	<u>20,000</u>
Total	\$ 1,523,001

The Regents six-year institutional roads program, 1998 through 2003, totals \$9,137,486, as follows:

University of Iowa	\$ 3,571,000
Iowa State University	3,570,800
University of Northern Iowa	1,785,586
Iowa School for the Deaf	43,000
Iowa Braille and Sight Saving School	<u>167,100</u>
Total	\$ 9,137,486

The institutions have identified unmet institutional roads needs totaling \$21,152,900.

MOTION: Regent Kennedy moved to (1) approve the recommended six-year institutional roads program for calendar years 1998 through 2003 totaling \$9,137,486, including projects totaling \$1,523,001 for 1998, and (2) receive the list of identified, unfunded institutional roads needs at the Regent institutions totaling \$21,152,900. Regent Pellet seconded the motion. MOTION CARRIED UNANIMOUSLY.

BOARD OFFICE PERSONNEL TRANSACTIONS. The Board Office recommended the Board approve the Register of Personnel Transactions with contained the following item:

Resignation: Rick Sutton, Associate Director, Academic Affairs, effective July 1, 1997.

MOTION: Regent Pellett moved to approve the Register of Personnel Transactions, as presented. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

RESIDENCY APPEAL. The Board Office recommended that the Board of Regents deny the appeal.

A student admitted to the University of Iowa for the 1997 Fall semester requested the Board hear an appeal of residency status for tuition purposes.

The request for appeal was reviewed by the Regents' Residency Review Committee and that committee recommended that the request for appeal be denied.

The Board Office concurred with the committee and requested that the Board deny the appeal.

MOTION: Regent Fisher moved to deny the appeal. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

EMPLOYEE APPEAL. The Board Office recommended the Board deny the request for appeal.

An employee of the Board of Regents appealed an institutional decision to the Board of Regents. Board members were provided with a complete confidential file on this appeal.

The employee's appeal was reviewed by the Attorney General and it was recommended that the Board deny the request for appeal, as moot and the subject of pending litigation.

MOTION: Regent Kennedy moved to deny the request for appeal. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPOINTMENTS TO SPECIAL SCHOOLS ADVISORY COMMITTEES. The Board Office recommended the Board approve appointments to the Iowa School for the Deaf Advisory Committee and the Iowa Braille and Sight Saving School Advisory Committee as nominated by the university presidents.

The presidents of the Regent universities nominated the following individuals to represent their institutions on the Iowa School for the Deaf Advisory Committee.

University of Iowa

Dr. Steven R. Yussen, Dean of the College of Education, to serve a term beginning September 1, 1997, and ending August 31, 1999.

Iowa State University

Dr. Daniel C. Robinson, professor of professional studies in education, to serve a term beginning September 1, 1997, and ending August 31, 1999.

University of Northern Iowa

Dr. Marion R. Thompson, professor of special education, to serve a term beginning September 1, 1997, and ending August 31, 1999.

The presidents nominated the following to serve as representatives on the Iowa Braille and Sight Saving School Advisory Committee.

University of Iowa

Dr. Richard P. Nelson, Executive Associate Dean of the College of Medicine, to serve a term beginning September 1, 1997, and ending August 31, 1999.

Iowa State University

Dr. A. Geoffrey Abelson, professor of curriculum and instruction in the College of Education, to serve a term beginning September 1, 1997, and ending August 31, 1999.

Dr. Anton J. Netusil, professor of professional studies in education and co-chair of the Department of Professional Studies, to serve a term beginning September 1, 1997, and ending August 31, 1998.

University of Northern Iowa

Dr. Marion R. Thompson, professor of special education, to serve a term beginning September 1, 1997, and ending August 31, 1999.

ACTION: This matter was approved by consent.

APPROVAL OF VENDORS WITH A POTENTIAL CONFLICT OF INTEREST. The Board Office recommended the Board approve the request from Iowa State University to add the following individuals to the list of approved vendors with a potential conflict of interest:

Brent A. Haverkamp, conducting business as Net Results
Michael Marti, conducting business as The Marti Design Group

Section 68B.4 of the Code of Iowa prohibits an official or employee of a regulatory agency from selling goods or services to the agency of which the individual is an official or employee except when certain conditions are met. The Code of Iowa requires all regulatory agencies to adopt rules specifying the method by which employees may obtain

agency consent for exception; at its December 1990 meeting, the Board adopted rules that call for prior authorization of such sales by roll call vote of the Board.

Iowa State University officials requested that the name of Brent A. Haverkamp, owner of Net Results, a network and computer consulting firm, be added to the list of approved vendors with a potential conflict of interest.

Mr. Haverkamp's wife was employed as a temporary instructor in the Health and Human Performance Department at Iowa State University this past semester, and may be re-appointed in the fall.

Mr. Haverkamp's business recently secured a contract for services with the Iowa State University Contracts and Grants Office for computer hardware and software installation.

Although Mr. Haverkamp's wife has not secured a position at Iowa State University, he would like to have the option to continue to contract with the university in the event she is offered a faculty position in the fall.

The university administration states that Ms. Haverkamp's position would not participate in any evaluations or award decisions relative to Net Results.

Iowa State University officials requested that the name of Michael Marti, owner of The Marti Design Group, a graphics design firm, be added to the list of approved vendors with a potential conflict of interest.

Mr. Marti is employed as a Senior Graphic Designer for the Ames Laboratory at Iowa State University where he produces primarily two dimensional graphics and desktop publishing.

Mr. Marti's business produces three dimensional materials made from wood and laminates; he has been doing design work for the past 10 years for new and established business clients.

The university administration states that Mr. Marti has developed a unique business at competitive prices which may be of value to other units in the university; these services are not otherwise available in the Ames area. The Ames Laboratory administration indicated it will not purchase from Mr. Marti's business, removing the possibility for conflict of interest in his specific work site.

The university administration states that adequate procedures and oversight have been established to ensure that Ames Laboratory resources will not be used to benefit

Mr. Marti's private business venture. Mr. Marti's immediate supervisor and the Director of the Ames Laboratory have approved the arrangements with assurance that they will provide appropriate oversight.

MOTION: Regent Arenson moved to approve the request from Iowa State University to add individuals to the list of approved vendors with a potential conflict of interest. Regent Kelly seconded the motion, and upon the roll being called, the following voted:
AYE: Arenson, Fisher, Kelly, Kennedy, Lande, Newlin, Pellett, Smith.
NAY: None.
ABSENT: Ahrens.

MOTION CARRIED.

RETIREMENT INCENTIVE PROGRAM . The Board Office recommended that the Board approve the retirement incentive program for Iowa State University effective August 1, 1997, through January 31, 1998, with changes, as recommended.

The Board previously approved the use of a retirement incentive program involving TIAA-CREF cashability for the University of Iowa, the University of Northern Iowa and the Iowa School for the Deaf. Iowa State University officials proposed a three-year program that would allow an unlimited number of employees access to the transferability/cashability available under TIAA-CREF rules.

It was recommended that the program be available under a six-month window with a limit of 150 on the number of participants, consistent with the programs approved for the University of Iowa and the University of Northern Iowa.

The Board of Regents is authorized by statute to offer alternative annuity programs to that provided under the Iowa Public Employees Retirement System (IPERS).

Mr. Richey stated that the Board Office recommendation was to limit the program to a 6-month window and to 150 employees. The public purpose was to give incentives for early retirement though this window. What was recommended was the same as was done at the other two Regent universities.

Regent Lande said he believed that a 6-month period would be more than sufficient for the purposes the Board would have for approving this program. He said he could argue for a shorter period of time. He was not sure he fully understood the reasons for limiting the number of participants. If there were more than 150 people who reached the stage in

their lives where they would rather not be at the university, it might be to the good of the institution to do allow those additional employees to access the program.

Mr. Richey said it was a very simple process for university officials to come back to the Board to request additional opportunities.

President Jischke stated that this was a no-cost proposal to the university and to the Board. What university officials requested is done at most universities today. TIAA-CREF policies allow individuals to cash out and cashability was being requested by Iowa State University faculty. He said university officials requested 3 years in order to assess the interest in the program. University officials feel that 6 months is inadequate. While university officials would be prepared to accept a limit on the number of people, he did not see the sense of the 6-month proposal.

Regent Lande said the university's proposal could lead to full cashability not just for the 3-year period but forever. The rules are in place for a purpose. If the Regents were to make a modification that would extend longer than 6 months they would need to have a longer view than they have right now. He said he would support the Board Office recommendations.

Regent Arenson asked Mr. Richey to discuss the implications of 100 percent cashability of TIAA-CREF accumulations.

Mr. Richey stated that the contributions are 10 percent by the institutions and 5 percent by the employees. There is no limit on the salary covered. IPERS contributions are 5.75 percent by the employer and 3.7 percent by the employee; therefore, the TIAA-CREF program is nearly 50 percent better than the state plan. In addition, the employer contribution stays with the employee under the TIAA-CREF plan. Under IPERS the employer's contribution stays with the employer. There are major advantages to maintaining this program.

Mr. Richey said the statute indicates that the purpose of the retirement system is to provide for the payment of annuities. Making the TIAA-CREF retirement program completely cashable would change the fundamental nature of the program. It would just be a deferred compensation program. There could be some real risk that the integrity of the program could be maintained. He said that was his concern and why he recommended the limitations. When a similar retirement program was approved for the community colleges two years ago it was based on contributions of 5.7 percent by the employer and 3.7 percent by the employee. He stressed that the Regents have something to guard, maintain and prize.

President Jischke stated that TIAA-CREF is a very good retirement program. It is nationally competitive. He said he would not characterize it as more than that, though. A retirement program that would be less generous or less funded would place the university at a competitive disadvantage in the market place for faculty and professional and scientific staff. It is worth preserving. What university officials were proposing was common in the higher education arena.

Regent Lande stated that TIAA-CREF is highly prized by educators for retirement. It is portable.

Regent Fisher stated that TIAA-CREF was a very generous retirement program, more generous than what is provided in the private sector.

MOTION: Regent Fisher moved to approve the retirement incentive program for Iowa State University effective August 1, 1997, through January 31, 1998, with changes, as recommended, with the addition that university officials are to return to the Board if more than 150 employees apply for the program. Regent Kelly seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

September 9-10, 1997	University of Northern Iowa	Cedar Falls
October 9-10, 1997	Board Retreat	Des Moines
October 15-16, 1997	University of Iowa	Iowa City
November 18-19, 1997	Iowa State University	Ames
December 17-18, 1997	West Des Moines Marriott Hotel	West Des Moines
January 14, 1998	Telephonic Conference Call	
February 18-19, 1998	University of Iowa	Iowa City
March 18-19, 1998	Iowa State University	Ames
April 14, 1998	Iowa Braille and Sight Saving School	Vinton
April 15, 1998	University of Northern Iowa	Cedar Falls
May 20-21, 1998	Iowa School for the Deaf	Council Bluffs
June 16-17, 1998	University of Iowa	Iowa City

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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

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. There were none.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Tuesday and Wednesday, July 22 and 23, 1997.

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

Register of Personnel Changes for May 1997.

MOTION: Regent Pellett moved to approve personnel transactions, as presented. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

ADMINISTRATIVE REORGANIZATION: INTERNATIONAL PROGRAMS. The Board Office recommended the Board approve the administrative reorganization of the International Programs at the University of Iowa.

The University of Iowa has experienced growth in the area of international activities. University officials wish to provide greater administrative and academic oversight, planning, and quality assurance in this area. This will be accomplished by a reorganization of international programs under a new administrative structure, an Associate Provost and Dean for International Programs, and the addition of several support staff established to promote and administer international programs.

The current position of Associate Provost for International Programs will be renamed Associate Provost and Dean of International Programs. Additional campus-wide participation in the international programs will be enhanced by the establishment of an International Advisory Council to meet monthly, address specific areas of concern as they arise, and inform and solicit comments to the university community.

The reallocation will be effected entirely through the reallocation of existing resources.

MOTION: Regent Lande moved to approve the administrative reorganization of the International Programs at the University of Iowa. Regent Arenson seconded the motion. MOTION CARRIED UNANIMOUSLY.

PRESENTATION BY UNIVERSITY OF IOWA FACULTY ON RESEARCH AND GRANT-GETTING. The Board Office recommended the Board receive the report.

Faculty Senate President Edward Wasserman introduced three speakers: David Skorton, Vice President for Research; Donald Gurnett, Professor of Physics; and Steven Hoch, Professor of History.

Vice President Skorton briefed the Board on the success of University of Iowa faculty in securing external grant funds despite dwindling sources of grant funds. He said FY 1997 was the best year yet with \$212 million received in external support. That figure does not include unrestricted gifts of the foundation nor did it include funding from philanthropic foundations like the American Heart Association or the American Cancer Society. He said \$162 million was received for research. From 1992-97 all categories of external funding had risen. Research funds had increased by \$5 million in the last 12 months. The College of Nursing experienced a 30 percent increase in external funding in the last year. The latest available data from the National Science Foundation ranked the University of Iowa 21st among public universities receiving funding. He noted that virtually all of the other 20 universities are larger than the University of Iowa.

Vice President Skorton stated that industrial funding is the second largest source of external funding at the University of Iowa. Research and development efforts are being downscaled at private businesses.

President Newlin asked for the total amount of funds the University of Iowa Foundation had raised this year. Vice President Skorton stated that an April or May press release from the foundation announced that it had a record year. It received \$112 million total acquisitions in FY 1996. Vice President True said \$75 million was in direct contributions and did not include future commitments.

Regent Arenson asked if federal funding for student aid was included in the university's total external funding. Vice President True responded that the federal funding total did include direct grants to students but did not include federal loans to students.

President Newlin said the numbers were excellent.

Professor Wasserman stated that Professor Gurnett has taught at the University of Iowa for 38 years, has attracted \$55 million in external grant funds, and is involved in his 30th space craft project.

Professor Gurnett stated that he has been fortunate enough to have worked on a number of famous space crafts. He is about to embark on another space mission called Cassini which will be the first orbiter of Saturn. His project will provide one of the 12 instruments on Cassini and will measure radio waves. The project has been in process for 6 years. The launch date is October 6, 1997, and Cassini will arrive at Saturn in 2004. The end of the mission is in 2008. The university received funding of \$9.6 million to build the instrument. It is expected that \$14 million will be received for the data analysis. Professor Gurnett described the process for submitting the proposal for this project. He said 400 proposals were submitted for 12 slots on Cassini.

Professor Gurnett answered Regents' questions about the data transmission, the distance to Saturn, the benefit to society of this research, the on-board source of power, etc.

Regent Arenson told Professor Gurnett that he was proud of his work and appreciated his presentation.

President Newlin thanked Professor Gurnett for his very interesting presentation and congratulated him on his career.

Professor Hoch stated that he has taught for 9 years at the University of Iowa. He received a grant to establish a comprehensive national resource center which focuses on the former Soviet Union, eastern Europe and Eurasia. He discussed the trials and tribulations of getting such a grant. At the end of the grant there will be 15 new courses directed at undergraduates at the University of Iowa. There will also be enhancement of faculty research in many new areas. The grant amounts to \$827,000 over 3 years. It allows recruitment of the very best graduate students in the U.S. to the University of Iowa. He said the odds of getting one of these grants is about 1 in 20. The grant process required a \$200,000 match from University of Iowa.

Professor Hoch answered Regents' questions regarding his background and discipline.

Professor Wasserman stated that these were not typical grants. There is no such thing as a typical grant. These two grants represented two very important and vital areas of work within the University of Iowa. Similar stories could be told of hundreds of other faculty members. Applying for research grant funds is a way of life. It is vital to the university that faculty members get these moneys.

Regent Fisher stated that the two presentations were outstanding. He referred to an event that took place the night before honoring distinguished professors. He said it was unfortunate that the Regents do not have the opportunity to hear more of the good news that is going on on these campuses. He congratulated the two faculty members on their good work.

President Newlin expressed appreciation for the two presentations. He noted that it was in a conversation with Professor Kurtz that the suggestion was made for this type of presentation to the Board of Regents.

Regent Arenson said he hoped that university officials continue to bring before the Board information about what is going on at each university. He said it is invaluable. He would appreciate more opportunities for the same going forward.

President Newlin asked that President Jischke provide a similar presentation in September and that President Koob do so in October.

ACTION: President Newlin stated the Board received the report, by general consent.

University officials presented the following supplemental docket item:

REORGANIZATION AND CONSOLIDATION OF GOVERNMENTAL RELATIONS ACTIVITIES. University officials requested Board approval of the proposed reorganization and consolidation of governmental relations activities.

University of Iowa officials proposed to consolidate federal and state governmental relations functions with the Office of the President and to name an interim director of governmental relations. This change would be accomplished on September 1, 1997. Presently, federal relations are managed within the Vice President for Research Office and state relations are managed within the Vice President for University Relations Office. The proposed organizational change is drawn from earlier recommendations made to the Board by Peat Marwick and the Pappas Consulting Group and is similar to structures at Iowa State University, the University of Northern Iowa, and many other universities.

The interim director of the consolidated governmental relations office would be Frank J. Stork. He has agreed to take on this responsibility over the next year until a search can be completed and the president can appoint a permanent director. Mr. Stork will continue to be the University of Iowa's Regents liaison in Des Moines during the legislative session. He will be paid an annual salary of \$113,500 which includes a

premium for working and living in Des Moines during four months of the year while his primary domicile is in the Iowa City/Coralville community.

The interrelationship of federal and state issues is becoming increasingly apparent, and President Coleman believes this organizational change will better position the university to manage these relationships and to achieve the university's overall strategic objectives.

MOTION: Regent Arenson moved to approve the proposed reorganization and consolidation of governmental relations activities, as presented. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin congratulated Mr. Stork on the appointment.

President Newlin recognized former Regent Aileen Mahood who was in attendance at this meeting.

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

Bowen Science Building--Remodel Portion of Core 2-300-- \$816,000
Pharmacology Package 3
Source of Funds: College of Medicine Gift and Earnings

	<u>Preliminary Budget</u>
Construction	\$ 630,900
Design, Inspection and Administration	
Consultants	90,100
Design and Construction Services	31,200
Contingency	<u>63,800</u>
TOTAL	<u>\$ 816,000</u>

University officials requested approval of a project description and budget in the amount of \$816,000 to remodel space for the Department of Pharmacology. The project, which is one of a number of Pharmacology projects in the Bowen Science Building, will include

remodeling of 5,818 square feet of space in Core 2-300 of the building. The project will also provide minor remodeling of 1,361 square feet of space in cores 1-300, 2-200, and 2-500. Work will include general demolition, and installation of new partitions, doors, carpeting, ceilings, lighting, plumbing, and painting. The project will also include installation of additional heating, ventilating and air conditioning ductwork, new sinks, fume hoods and casework.

Bowen Science Building--Remodel Portion of Core 1-200-- \$518,000
Anatomy Package 5
Source of Funds: College of Medicine Gift and Earnings

Preliminary Budget

Construction	\$ 420,800
Design, Inspection and Administration	
Design and Construction Services	48,800
Consultants	6,000
Contingency	<u>42,400</u>
 TOTAL	 <u>\$ 518,000</u>

University officials requested approval of a project description and budget in the amount of \$518,000 to remodel 5,274 square feet of laboratory space in Core 1-200 of the Bowen Science Building. Work will include general demolition and installation of new ceiling and light fixtures, television monitors, and a new heating, ventilating and air conditioning system.

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Bowen Science Building--Remodel Room 1-101-1-- \$290,000
Anatomy Package 7

Source of Funds: College of Medicine Gift and Earnings

Preliminary Budget

Construction	\$ 238,900
Design, Inspection and Administration	
Design and Construction Services	23,200
Consultants	4,000
Contingency	<u>23,900</u>
 TOTAL	 <u>\$ 290,000</u>

University officials requested approval of a project description and budget in the amount of \$290,000 to remodel 2,310 square feet of laboratory space in a portion of the Core 1-100 laboratory area of the Bowen Science Building. Work will include general demolition, installation of a new ceiling and light fixtures, partitions, doors, and casework, new heating, ventilating and air conditioning ductwork, and electrical improvements.

Laundry Facility Replacement

July 1996 Budget \$3,800,000
July 1997 Budget \$4,116,800

Project Budget

	Initial Budget <u>July 1996</u>	Revised Budget <u>July 1997</u>
Equipment and Installation	\$ 2,300,000	\$ 2,300,000
Construction	1,218,000	1,566,800
Design, Inspection and Administration	122,000	165,000
Contingencies	<u>160,000</u>	<u>85,000</u>
 TOTAL	 <u>\$ 3,800,000</u>	 <u>\$ 4,116,800</u>
 Source of Funds:		
Master Lease	\$ 3,800,000	\$ 3,800,000
Income from Treasurer's Temporary Investments	 <u>0</u>	 <u>316,800</u>
 TOTAL	 <u>\$ 3,800,000</u>	 <u>\$ 4,116,800</u>

University officials requested approval of a revised project budget in the amount of \$4,116,800, an increase of \$316,800, to allow award of the construction contract. Three bids were received for the project on June 19, 1997. The three bids, which had a range of 4.1 percent, exceeded the engineering estimate of \$1,600,000 by at least 19.4 percent. University officials reported that the high bids were the result of an underestimation of mechanical requirements and mechanical construction cost estimates during preliminary budget preparation. The actual mechanical requirements for equipment piping, the fire sprinkler system, and heating, ventilating and air conditioning were determined during the detailed planning process subsequent to Board approval of the preliminary project budget. The revised budget in the amount of \$4,116,800 correctly reflects all mechanical requirements.

The additional project costs will be funded with an advance of \$316,800 from Income from Treasurer's Temporary Investments. These funds will be reimbursed from laundry revenues following completion of the master lease payments which are scheduled for a period of seven years.

Regent Lande asked for an explanation of the increase in budget. Vice President True stated that university officials had anticipated that some of the mechanical costs would be

greater than originally thought. University officials were prepared to make a reduction in the scope of the project. In working with the low bidder university officials believe they can do some other internal financing. The rate structure that the University of Iowa Hospitals and Clinics depends upon must be maintained. University officials can do all this with the approval that was requested. He said it was mechanical piping costs that had caused the price to increase.

Regent Lande asked for the dollar amounts. Vice President True responded that the bid came in a \$1.9 million. Much of the project is equipment. University officials expect to be able to reduce the construction amount by \$350,000.

* * * * *

University officials presented 11 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

<u>Residence Halls and Family Housing--Upgrade Fire Protection</u>	<u>\$288,000</u>
Alvine and Associates, Omaha, NE	

University officials requested approval to enter into an agreement with Alvine and Associates to provide the preliminary project design, with updated cost estimates, based on the scope of work recommended by Durrant Engineers. The major components of the project will include installation of sprinkler systems, upgrade of alarm and detection systems, the addition or upgrade of emergency generators, and improvements to the fire rating of stairwell and elevator enclosures. The majority of the work recommended by Durrant Engineers is not required by fire codes for existing buildings. However, the study concluded that these items should have the highest priority as the university voluntarily upgrades the residence facilities. The State Fire Marshal has reviewed and supports the plan.

The project will be designed to minimize conflicts associated with the concurrent project to extend the Campus Fiber Optic Network into the residence halls. The university will return to the Board for approval of the individual building project budgets as the implementation plan proceeds.

The agreement provides for a fee of \$288,000, including reimbursables.

University Hospitals and Clinics--Medical Intensive Care Unit \$113,650
Relocation and Consolidation with Intermediate Medical Intensive
Care Step-Down Unit
A and J Associates, Iowa City, Iowa

University officials requested approval to enter into an agreement with A and J Associates to provide engineering services for the project. The agreement provides for a fee of \$113,650, including reimbursables.

University Hospitals and Clinics--DeGowin Blood Center Relocation \$103,215
A and J Associates, Iowa City, Iowa

University officials requested approval to enter into an agreement with A and J Associates to provide engineering services for the project. The agreement provides for a fee of \$103,215, including reimbursables.

Residence Halls and Family Housing--Telecommunications \$94,452
Improvements
MIS Labs, Watertown, WI

University officials requested approval to enter into an agreement with MIS Labs to provide schematic design services for the telecommunication improvements for the remaining residence facilities. The installation of the fiber optic network in the residence halls will be coordinated with future projects to install fire detection and sprinkler systems to ensure that shared pathways are properly utilized and potential conflicts are minimized. The schematic design for these projects will be carried out on a building-by-building basis. The university will return to the Board for approval of the individual projects upon completion of the schematic designs.

The agreement provides for a fee of \$94,452, including reimbursables.

Museum of Art Remodeling \$79,000
Herbert Lewis Kruse Blunck, Iowa City, Iowa

University officials presented a negotiated agreement for approval. The agreement provides for a fee not to exceed \$79,000, including reimbursables. The agreement will provide conceptual design services including establishment of the building program, assessment of existing building systems and required improvements, and a study of expansion alternatives. The agreement will also provide for development of the construction budget and graphics for a marketing effort to assist in soliciting private funds to finance the project.

University of Iowa Hospitals and Clinics--Development of an Otolaryngology
Head and Neck Surgery Institute
Hansen Lind Meyer, Iowa City, Iowa

University officials requested approval to negotiate an agreement with Hansen Lind Meyer to provide design services for the project. Section 9.05 A.2.a. of the Board of Regents Procedural Guide requires that architectural or engineering services for projects expected to cost more than \$1 million which constitute major additions, substantial remodeling or a new building be selected by the institution's Architectural Selection Committee. Rather than undertake the architectural selection process the university requests approval to negotiate an agreement with Hansen Lind Meyer to provide design services for the Otolaryngology Head and Neck Surgery Institute.

The university's request was consistent with previous Board action in 1991 and 1994 which authorized the selection of Hansen Lind Meyer to provide design services for the Eye Institute and Family Care Center projects in the Pomerantz Pavilion without initiating the architectural selection process. The university received approval to negotiate agreements with Hansen Lind Meyer for these projects since they are a continuum of the overall project for development of the Pomerantz Pavilion, as is the case with the Otolaryngology Head and Neck Surgery Institute. University officials requested approval to negotiate agreements with Hansen Lind Meyer for the Pomerantz Pavilion projects with the recognition that it would be unfair to the architectural community to undertake a competitive search process with the very strong likelihood that the same architect would be selected.

University officials will return to the Board for approval of the negotiated agreement with Hansen Lind Meyer.

Amendments:

Iowa Advanced Technology Laboratories--Construct Amendment #3 \$3,000
Laboratory in E121
Design Engineers, Cedar Rapids, Iowa

University officials requested approval of Amendment #3 to the agreement with Design Engineers in the amount of \$3,000 to provide the additional design services. Amendment #3 will not result in an increase in the total project budget.

CONSTRUCTION CONTRACTS

Laundry Facility Replacement \$1,816,800
Award to: Mid-America Construction Company of Iowa, Iowa City, Iowa

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Base Bid of \$1,911,000, less Alternate #6 of \$10,400, less Alternate #7 of
\$83,800 =

TOTAL AWARD OF: \$1,816,800

(3 bids received)

University officials requested approval of the construction contract award to the low bidder, Mid-America Construction Company, in the amount of \$1,816,800.

Westlawn Renovation and Expansion--Student Health Service Relocation and College of Medicine Programs \$5,077,200

Award to: Mid-America Construction Company of Iowa, Iowa City, Iowa
(3 bids received)

Biological Sciences Renovation/Replacement--Phase I--Renovate Annex \$1,466,000

Award to: Mid-America Construction Company of Iowa, Iowa City, Iowa
(4 bids received)

700 South Clinton--Remodel for State Archaeologist and Broadcasting Services \$820,500

Award to: Selzer-Werderitsch Construction Company, Iowa City, Iowa
(7 bids received)

Lindquist Center--Relocate Campus Video System Portion of Broadcasting Services \$356,688

Award to: McComas-Lacina Construction Company, Iowa City, Iowa
(1 bid received)

University Hospitals and Clinics--O. R. Suite Support Facility--Mechanical/Electrical Equipment \$272,300

Award to: AAA Mechanical Contractors, Iowa City, Iowa
(4 bids received)

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<u>Expansion of the North Campus Chilled Water Plant--Contact No. 1 Ceramic Cooling Tower</u>	<u>\$231,031</u>
Award to: Ceramic Cooling Tower Company, Fort Worth, TX (2 bids received)	
<u>Bowen Science Building--Remodel Portion of Core 6-500--Physiology Packages 1 and 2</u>	<u>\$196,752</u>
Award to: Hinman Contractor and Builder, Muscatine, Iowa (7 bids received)	
<u>English-Philosophy Building--Exterior Repairs</u>	<u>\$99,337</u>
Award to: Mississippi Valley Restoration, Joy, IL (5 bids received)	
<u>National Advanced Driving Simulator--Utilities Extension to Lot 20 Oakdale Research Park</u>	<u>\$78,287</u>
Award to: Wendler Engineering and Construction, South Amana, Iowa (5 bids received)	
<u>University Hospitals and Clinics--Westlawn Renovation and Expansion-- Student Health Service Relocation and College of Medicine Programs-- Asbestos Abatement</u>	<u>\$59,963</u>
Award to: Curry Environmental Services, Marion, Iowa (7 bids received)	
<u>English-Philosophy Building--Exterior Repairs--Asbestos Abatement</u>	<u>\$58,740</u>
Award to: Great Plains Asbestos Control, La Plata, MO (5 bids received)	
<u>Van Allen Hall--Accelerator Tower--Raze Building</u>	
Reject Bids	

Two bids were received for the project on May 23, 1997. Both of the bids exceeded the engineering estimate by at least 60 percent. On June 4, 1997, the Executive Director authorized the university to reject the bids and reevaluate and re-bid the project at a future date.

Kinnick Stadium Masonry Restoration--Phase 3
Reject Bids

One bid was received for the project on May 14, 1997. The bid exceeded the engineering estimate by approximately 30.9 percent. On June 4, 1997, the Executive Director authorized the university to reject the bid and reevaluate and re-bid the project at a future date.

Medical Research Facility--Construct Environmental Chamber
Reject Bids

Six bids were received for the project on June 3, 1997. All of the bids exceeded the engineering estimate by at least 14.6 percent. In addition, the low bid was incomplete, and the correct bid would have caused the bids to exceed the estimate by at least 24.8 percent. On June 23, 1997, the Executive Director authorized the university to reject the bids and reevaluate and re-bid the project at a future date.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Art Building--Correct Fire Safety Deficiencies--West Wing
McComas-Lacina Construction Company, Iowa City, Iowa

Hillcrest Residence Hall--Renovate Secondary Electrical Service
Merit Electric, Iowa City, Iowa

University Hospitals and Clinics--South Pavilion--Telecommunications Switchroom Development
McComas-Lacina Construction Company, Iowa City, Iowa

Gilmore Hall Remodeling
Hillebrand Construction of the Midwest, Davenport, Iowa

Campus Fiber Optic Network--Project 6, Contract 1--Medical Research Facility
Communications Engineering Company, Iowa City, Iowa

Campus Fiber Optic Network--Project 6, Contract 4--Medical Education Building
Communications Engineering Company, Iowa City, Iowa

Campus Fiber Optic Network--Project 6, Contract 7--Telecommunication Closets
Gerard Electric, Iowa City, Iowa

Campus Fiber Optic Network--Project 1, Contract 3--Entrance Facilities Construction
Gerard Electric, Iowa City, Iowa

Campus Fiber Optic Network--Project 3, Contract 2--Exterior Ductbank Route
Wolf Construction, Iowa City, Iowa

Campus Fiber Optic Network--Project 6, Contract 3--Dental Science Building
Communications Engineering Company, Iowa City, Iowa

Campus Fiber Optic Network--Project 1, Contract 2--Exterior Ductbank Route
Wolf Construction, Iowa City, Iowa

Campus Fiber Optic Network--Project 5, Contract 3--Eastlawn
Communication Innovators, Altoona, Iowa

Medical Laboratories--Correct Fire Safety Deficiencies
Selzer-Werderitsch Construction Company, Iowa City, Iowa

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

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

University officials requested approval to renew its lease as lessee with the Quad-Cities Graduate Study Center for the university's use of 140 square feet of office space located on the Augustana College campus in Rock Island, Illinois, for the Social Work Education Center, at the rate of \$121.68 per month (\$10.43 per square foot, \$1,460.16 per year) for a one-year period.

University officials requested Board consent of the assignment of the lease agreement with Breakthrough, Inc., a tenant at the Oakdale Research Park, to Breakthrough Acquisition Corporation, in accordance with the sale of the tenant's assets to Breakthrough Acquisition Corporation, effective from the date of the sale through the conclusion of the previous lease term and for the current lease term which expires June 30, 1998.

University officials requested approval of a permanent right-of-way easement agreement with MidAmerican Energy Company which will release right-of-way areas

previously granted by the university for the construction, operation and maintenance of gas pipeline facilities at the Oakdale Research Park.

University officials requested approval of three agreements relating to construction of the National Advanced Driving Simulator at the Oakdale Research Park, consisting of an amendment to the Ground Lease agreement with the University of Iowa Research Park Corporation, a Subdivider's Agreement with the Research Park Corporation and the City of Coralville, Iowa, and a sublease agreement with the Research Park Corporation.

University officials requested Board approval of revised lease terms for its farm lease as owner with Scott Ogden, farm operator, reflecting a total of 59.4 acres to be leased at the rate of \$1,705 per year.

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

MOTION CARRIED.

SALE OF PROPERTY - 1360 MELROSE AVENUE. The Board Office recommended the Board authorize the sale by the University of Iowa of a 6,244 square foot parcel of land at a price of \$15,600 to University Clubs, Inc., Iowa City, Iowa, subject to approval of the Executive Council of Iowa.

The parcel is located on the Finkbine Golf Course immediately north of and adjacent to the University Athletic Club located at 1360 Melrose Avenue, Iowa City, Iowa. The proposed sale was initiated by the owners of the University Athletic Club to resolve a property boundary issue.

The concrete deck for the Athletic Club's swimming pool, which was constructed several years ago, extends onto university property to the north.

The university and the Athletic Club consider the sale to be the most reasonable alternative to resolve the boundary issue.

The purchase price for the parcel was established at \$15,600, with \$1,560 payable upon the signing of a real estate contract and the balance on possession and delivery of marketable title and deed on or before September 1, 1997. The purchase price was based upon a market value appraisal of \$2.50 per square foot.

The proceeds from the sale will be used for educational, physical education and recreational purposes consistent with the terms of a gift from E. C. Finkbine and W. O. Finkbine. The gift from the Finkbines was used to purchase the property which was developed by the university into the Finkbine Golf Course.

The property sale was reviewed by the Attorney General's Office and was recommended for approval.

President Newlin asked that university officials talk to the buyers about right of first refusal.

MOTION:

Regent Kennedy moved to authorize the sale by the University of Iowa of a 6,244 square foot parcel of land at a price of \$15,600 to University Clubs, Inc., Iowa City, Iowa, subject to approval of the Executive Council of Iowa. Regent Arenson seconded the motion, and upon the roll being called, the following voted:
AYE: Arenson, Fisher, Kelly, Kennedy, Lande, Newlin, Pellett, Smith.
NAY: None.
ABSENT: Ahrens.

MOTION CARRIED.

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 Tuesday and Wednesday, July 22 and 23, 1997.

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

Register of Personnel Changes for May 1997 which included four requests for early retirement and one request for phased retirement.

The Board was asked to approve the appointment of DR. THOMAS HILL as Vice President for Student Affairs, effective August 1, 1997, at an annual salary of \$120,000.

Presented for the Board's information were the following actions:

Resignation of NANCY EATON, Dean of the Library, effective August 15, 1997.

Appointment of OLIVIA MADISON as Interim Dean of the Library, effective August 18, 1997, until a new dean is appointed.

Appointment of DIANNE DRAPER as Interim Dean of the College of Family and Consumer Sciences, effective July 1, 1997, until a new dean is appointed.

MOTION: Regent Pellett moved to approve the personnel transactions, as presented. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

College of Veterinary Medicine--Diagnostic Lab Renovation

Source of Funds: General University Funds

\$615,200

April 1996 Budget

\$555,200

July 1997 Budget

Project Budget

	Initial Budget <u>April 1996</u>	Revised Budget <u>July 1997</u>
Construction Costs	\$ 330,800	\$ 357,577
Professional Fees	71,488	95,006
Fixed Equipment	112,500	69,900
Movable Equipment	41,250	17,200
Project Reserve	<u>59,162</u>	<u>15,517</u>
 TOTAL	 <u>\$ 615,200</u>	 <u>\$ 555,200</u>

University officials requested approval of a revised project budget in the amount of \$555,200, a decrease of \$60,000; the reduced budget results from savings on the construction contract. The construction contract in the amount of \$339,136 was awarded in December 1996. The contract award was approximately 36 percent below the engineering estimate for the work. University officials plan to reallocate the surplus funds to another project at the College of Veterinary Medicine.

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University officials presented 18 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

Reiman Gardens--Phase 2

\$46,000

Rodney Robinson Landscape Architects, Wilmington, DE

University officials requested approval to enter into an agreement with Rodney Robinson Landscape Architects to provide landscape architect services for the project. The agreement provides for a fee of \$46,000, including reimbursables, which represents approximately 12.8 percent of the construction budget.

Amendments:

Palmer Human Development and Family Studies Building Amendment #1 \$122,800
RDG Bussard Dikis, Des Moines, Iowa

University officials requested approval of Amendment #1 to the agreement with RDG Bussard Dikis for design services for the third floor addition. Amendment #1 will not result in an increase in the total project budget.

Seed Science Building Addition Amendment #3 Deduct
\$400
RDG Bussard Dikis, Des Moines, Iowa

University officials requested approval of Amendment #3 which will reduce the amount of the agreement by \$400. This amount represented a credit for a design error which occurred with the sizing of a window for the addition.

College of Veterinary Medicine--Diagnostic Lab Renovations \$1,800
Rietz Consultants, Ames, Iowa

The Knoll--Handicap Accessibility Improvements \$1,500
Baldwin White Architects, Des Moines, Iowa

CONSTRUCTION CONTRACTS

Bessey Hall--Richard W. Pohl Conservatory Renovation--Phase 1--
Reglazing \$143,823
Award to: National Greenhouse Company, Pana, IL
(2 bids received)

Telecommunications--Research Park, Phase 2--Raceway System \$227,200
Award to: Hurst and Sons Contractors, Waterloo, Iowa
(4 bids received)

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Howe Hall (Engineering Teaching and Research Complex--Phase 1)
Bid Package #1--Earthwork \$305,500

Award to: R. G. Elder and Son Company, Des Moines, Iowa
(4 bids received)

Utilities--Electric System Improvements--FY 1997 \$63,370

Award to: Nikkel and Associates, Ames, Iowa
(3 bids received)

Bessey Hall--Richard W. Pohl Conservatory Renovation--Phase 2--
Mechanical and Electrical \$154,000

Award to: HPC, L.L.C., Ames, Iowa
(3 bids received)

FINAL REPORTS

Fire Safety Improvements--FY 1995 \$2,222,193.36

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

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

University officials requested approval to enter into a new lease as lessor with Wellmark, Inc., for its use of 93 square feet of space in the Student Health Center at the rate of \$465 per quarter (\$1,860 per year, \$20 per square foot) for a one-year period.

University officials requested approval to renew its lease as lessor with Electronic Engineering Company for its use of 80 square feet of space located in the penthouse of the Science Addition II at the rate of \$200 per year (\$2.50 per square foot) for a one-year period.

University officials requested approval of an exchange agreement with Keith and Karen Blum for the exchange of 50 feet of university property at the Ag 450 Farm for 50 feet of property at the adjacent Blum farm at no cost to either party.

MOTION:

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

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 Tuesday and Wednesday, July 22 and 23, 1997.

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

Register of Personnel Changes for June 1997.

MOTION: Regent Pellett moved to approve the personnel transactions, as presented. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

ACADEMIC CALENDARS -- 1998-2002. The Board Office recommended the Board approve proposed calendars for school years (including summer sessions) through Fall 2002.

University of Northern Iowa officials requested Board approval for academic calendars for fall, spring, and summer sessions through Fall 2002.

During each school year, there are 150 instructional days (76 in the fall term and 74 in the spring term).

The proposed calendars coincide with calendars previously submitted for approval that set university holidays under collective bargaining agreements.

The proposed calendars provide for spring break to be scheduled concurrently with the other Regent universities beginning the 11th Monday of the calendar year.

Summer sessions will remain consistent with past practice of holding two sessions. Depending upon when the Independence Day holiday occurs, one session has 19 days while the other has 20 days.

ACTION: This matter was approved by consent.

POST-AUDIT REVIEW -- B.A. IN MIDDLE SCHOOL/JUNIOR HIGH SCHOOL

EDUCATION. The Board Office recommended the Board refer the post-audit report for the Bachelor of Arts major in Middle School/Junior High School Education at the University of Northern Iowa to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation.

University of Northern Iowa officials submitted a post-audit review of the Education major.

The Education major enrollments rose from 116 in the 1992-93 academic year to 223 in the 1996-97 academic year. Credit hours increased from 812 to 1,561 during that same period. The dropout rate is only two percent.

All program graduates, according to a survey of the graduates, who pursue employment have been able to secure jobs in their teaching field.

Expenses for the program have been consistent with those projected for the program at the time of its initial approval both of which are negligible.

ACTION: This matter was referred by consent.

POST-AUDIT REVIEW - B.A. IN RUSSIAN. The Board Office recommended the Board refer the post-audit report for the Bachelor of Arts Major in Russian at the University of Northern Iowa to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation.

University of Northern Iowa officials submitted a post-audit review of the Russian major.

The Russian major enrollments rose from two in the 1992-93 academic year to 28 in the 1996-97 academic year. The program exceeded its prediction of 12 majors for the 1996-97 academic year. The dropout rate is very low with only one student dropping the major.

Most of the graduates (13 out of 16) have attended or are attending graduate school therefore they have not sought permanent employment in the field.

Expenses for the program have been consistent with those projected for the program at the time of its initial approval both of which are negligible.

ACTION: This matter was referred by consent.

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

PROJECT DESCRIPTIONS AND BUDGETS

Lang Hall Renovation \$12,900,000
Source of Funds: Capital Appropriations

Preliminary Budget

Contracts/Purchase Orders	\$ 9,740,000
Consultant/Design Services	1,145,000
Movable Equipment/Furnishings	1,200,000
Art Work	65,000
Contingencies	<u>750,000</u>
 TOTAL	 <u>\$ 12,900,000</u>

University officials requested approval of a project description and budget in the amount of \$12,900,000 to be funded by a capital appropriation authorized by the 1997 General Assembly. The project will provide for a major renovation of the 93,200 gross square foot facility. The building was constructed in 1900 and has received only limited upgrades since its construction. The project will repair deteriorated interior finishes and the building envelope, replace obsolete mechanical and electrical systems, and correct structural and fire safety deficiencies. The renovation project will result in approximately 61,000 net assignable square feet of space.

Lang Hall serves as a major classroom building. The Department of Communication Studies of the College of Humanities and Fine Arts will be the primary occupant of the renovated facility. Other departments of the College will also occupy classroom space in the building.

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University officials presented two 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

<u>Lang Hall Renovation</u>	<u>\$810,000</u>
InVision Architecture, Waterloo, Iowa	

University officials requested approval to enter into an agreement with InVision Architecture to provide design services for the project.

The university received expressions of interest from 16 firms to provide design services for the project. Three firms were selected for interviews. Based on the interviews, university officials recommended the selection of InVision Architecture to provide design services for the Lang Hall Renovation project. The firm was selected based on its extensive experience with similar renovation projects, design ability, and knowledge of university and Board of Regents procedures.

The agreement provides for a fee of \$810,000, including reimbursables, which represents approximately 8.3 percent of the budget for contracts and purchase orders.

MOTION: Regent Pellett moved to approve the university's capital register, as presented. Regent Lande 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 Northern Iowa. There were none.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Tuesday and Wednesday, July 22 and 23, 1997.

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

Register of Personnel Changes for June 1997.

MOTION: Regent Pellett moved to approve the personnel transactions, as presented. 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 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 Tuesday and Wednesday, July 22 and 23, 1997.

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

Register of Personnel Changes for the period of May 18 to June 28, 1997.

MOTION: Regent Pellett moved to approve the personnel transactions, as presented. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended that the Register of Capital Improvement Business Transactions for the Iowa Braille and Sight Saving School be approved.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Bowling Alley Roof Replacement
T & K Roofing and Sheet Metal, Ely, Iowa

Iowa Communications Network Installation
Sony Electronics, Inc., San Jose, CA

FINAL REPORTS

Iowa Communications Network Installation \$114,186.23

MOTION: Regent Fisher moved to approve the Register of Capital Improvement Business Transactions for

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the Iowa Braille and Sight Saving School. 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 Iowa Braille and Sight Saving School. There were none.

ADJOURNMENT.

The meeting of the State Board of Regents adjourned at 5:22 p.m., on Wednesday, July 23, 1997.

R. Wayne Richey
Executive Director