

The State Board of Regents met on Tuesday and Wednesday, July 14 and 15, 1998, at Iowa State University, Ames, Iowa. The following were in attendance:

	<u>July 14</u>	<u>July 15</u>
<u>Members of State Board of Regents</u>		
Mr. Newlin, President	All sessions	All sessions
Ms. Ahrens	All sessions	All sessions
Mr. Arenson	Excused	Excused
Mr. Fisher	All sessions	All sessions
Dr. Kelly	All sessions	All sessions
Mrs. Kennedy	All sessions	All sessions
Mr. Lande	Excused	Excused
Mrs. Pellett	All sessions	Excused at 12:00 p.m.
Mrs. Smith	All sessions	All sessions
<u>Office of the State Board of Regents</u>		
Executive Director Stork	All sessions	All sessions
Deputy Executive Director Barak	All sessions	All sessions
Director Wright	All sessions	All sessions
Associate Director Elliott	All sessions	All sessions
Associate Director Racki	All sessions	All sessions
Minutes Secretary Briggle	All sessions	All sessions
<u>State University of Iowa</u>		
President Coleman	All sessions	Excused at 12:25 p.m.
Provost Whitmore	All sessions	Excused at 12:25 p.m.
Associate Provost Folkins	All sessions	Excused at 12:25 p.m.
Vice President True	All sessions	Excused at 12:25 p.m.
Interim Director Murphy	All sessions	Excused at 12:25 p.m.
<u>Iowa State University</u>		
President Jischke	All sessions	All sessions
Provost Kozak	All sessions	All sessions
Vice President Hill	All sessions	All sessions
Vice President Madden	All sessions	All sessions
Executive Assistant to the President Dobbs	All sessions	All sessions
Assistant to the President Mukerjea	All sessions	All sessions
Director McCarroll	Excused	All sessions
Associate Director Steinke	Excused	All sessions
<u>University of Northern Iowa</u>		
President Koob	All sessions	Excused at 12:12 p.m.
Associate Vice Provost Cook	All sessions	Excused at 12:12 p.m.
Vice President Conner	All sessions	Excused at 12:12 p.m.
Director Chilcott	Excused	Excused at 12:12 p.m.
Assistant Director Saunders	All sessions	Excused
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	Excused at 12:08 p.m.
Director Heuer	All sessions	Excused at 12:08 p.m.
Interpreter Reese	All sessions	Excused at 12:08 p.m.
Interpreter Fowler	Excused	Excused at 12:08 p.m.
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	All sessions	Excused at 12:11 p.m.
Director Woodward	All sessions	Excused at 12:11 p.m.

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Tuesday and Wednesday, July 14 and 15, 1998.

APPROVAL OF MINUTES OF BOARD MEETING OF JUNE 16-17, 1998. The Board Office recommended the Board approve the minutes.

President Newlin asked for additions or corrections to the minutes.

MOTION: Regent Fisher moved to approve the minutes of the meeting of June 16-17, 1998. Regent Kennedy seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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

Approve the change in the name of the Office of Affirmative Action Programs to Office of Compliance and Equity Management at the University of Northern Iowa and ratify personnel transactions;

Approve the request from the University of Northern Iowa to add Beverly Schomaker, Donald Briggs and Michael White to the university's list of approved vendors with a potential conflict of interest; and

Refer the proposed new undergraduate program in Applied Physics to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation and request that the Board Office and the Interinstitutional Committee give special consideration to the potential for unnecessary duplication with respect to this request. A part of this consideration should include efforts to develop cooperative efforts in this academic program area.

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

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a) Approve a New Center to be called the Airworthiness Assurance Center of Excellence, ISU. The Board Office recommended the Board approve the proposed new center to be called the Airworthiness Assurance Center of Excellence (AAEC) at Iowa State University effective immediately.

Iowa State University officials proposed a new center to be called the Airworthiness Assurance Center of Excellence (AACE). The purpose of the center will be to develop advanced technologies that may be an element in maintaining the U.S. leadership role in aviation safety and accident reduction.

The proposal was reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office, and both recommended approval.

This center was developed in response to a solicitation from the Federal Aviation Administration (FAA) and will be a partnership among nine core institutions. Iowa State University will hold the contract with the FAA and will provide technical management for the program.

The total amount of funds to be managed by the AACE is currently undetermined, with estimates ranging from \$4 million to \$10 million per year. The total FY 1998 FAA funds managed by the center will be over \$8M. FAA guidelines require the center to be self-supporting within ten years. If at that time there is insufficient funding to support the center, it will be dissolved.

MOTION: Regent Fisher moved to approve the proposed new center to be called the Airworthiness Assurance Center of Excellence (AACE) at Iowa State University effective immediately. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Approve a Minor in Entrepreneurial Studies in the College of Business, ISU. The Board Office recommended the Board approve the request to establish a minor in Entrepreneurial Studies at Iowa State University effective immediately.

Iowa State University officials requested approval of a new minor in Entrepreneurial Studies. The new minor is to provide non-business students at Iowa State University an opportunity to learn about entrepreneurship - the starting of new business ventures. As a minor, it serves to complement the student's major area of study by offering a means of putting theory and science into practice.

This proposal was reviewed by the Board Office and the Interinstitutional Committee on Educational Coordination, and both recommended approval.

The proposed minor appears to meet the Regents criteria for new minors. There are no additional costs.

President Koob stated that Interim Provost Aaron Podolefsky had broken his leg and that Associate Vice Provost Cook would be filling in for him at this meeting. President Koob then introduced Susan Cook, Associate Vice Provost for Academic Programs at the University of Northern Iowa.

Regent Fisher asked if this proposal was part of the Pappajohn initiative. Associate Vice Provost Cook responded affirmatively.

MOTION: Regent Kennedy moved to approve the request to establish a minor in Entrepreneurial Studies at Iowa State University effective immediately. Regent Fisher

seconded the motion. MOTION CARRIED
UNANIMOUSLY.

(c) Approve a Secondary Major in International Business in the College of Business, ISU. The Board Office recommended the Board approve the request for a secondary major in International Business in the College of Business at Iowa State University contingent upon approval by the Iowa Coordinating Council for Post High School Education.

Iowa State University officials requested approval of a secondary major in International Business in the College of Business Administration. As a "secondary major" in business, students are expected to have a strong foundation in another business discipline.

The proposal was reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office, and both recommended approval.

The proposed program of study will provide students with an understanding of an array of issues that multinational corporations must be able to successfully manage in a competitive global marketplace.

The proposed major appears to meet the Board of Regents criteria for new programs. There appears to be both a need and a strong demand for the program, cost implications appear to be minimal, and the major is consistent with the mission of Iowa State University. While neither the University of Iowa or the University of Northern Iowa offer the major being proposed, there are several private colleges that appear to offer similar programs.

Regent Pellett asked if the proposal was similar to what used to be called a double major. Provost Whitmore responded that the proposal was for a secondary major within the business program. The proposal is for a special emphasis in international affairs for business majors within the College of Business.

Regent Fisher asked why the Coordinating Council had to approve the proposal. Provost Whitmore responded that the Coordinating Council reviews proposals for new programs. He was not sure why this proposal would fit into that category since it is specialized for students taking a regular degree program at Iowa State University. Normally new programs go to that group for discussion of the impact across the state.

Regent Pellett said she believed the program was worthy. When an element of international understanding can be added in a discipline, it is very good.

MOTION: Regent Ahrens moved to approve the request for a secondary major in International Business in the College of Business at Iowa State University contingent upon approval by the Iowa Coordinating Council for Post High School Education. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Approve a New Major in Production/Operations Management in the College of Business, ISU. The Board Office recommended the Board approve the proposed new major Production/Operations Management at Iowa State University subject to approval by the Iowa Coordinating Council for Post High School Education.

Iowa State University officials requested approval for a major in Production/Operations Management in the College of Business as a replacement for the old management major

with a concentration in production/operations management. This new major is designed to better meet the needs of students who wish to pursue careers in manufacturing industries.

The proposed program was reviewed by the Board Office and the Interinstitutional Committee on Educational Coordination, and both recommended approval.

The production/operations major is the standard degree in most colleges of business.

The proposed program appears to meet the Regents criteria for new programs. There is a demonstrated need for the program, there are no additional costs for implementation since the proposed program is a restructuring of an existing program, the program is consistent with the mission of Iowa State University, and there is strong evidence that it is a quality program based on existing offerings and accreditation.

MOTION: Regent Fisher moved to approve the proposed new major Production/Operations Management at Iowa State University subject to approval by the Iowa Coordinating Council for Post High School Education. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

Regent Fisher said he believed that the last three items that the Board had acted on were pertinent and good for the various schools and what is going on in the world of business. These efforts will help prepare students to hit the ground running. He said they were excellent programs.

Provost Whitmore stated that the universities' curricula are under constant review by the deans and faculty, which these proposals reflected.

(e) Approve the Name Change for the Department of Biophysics and Biochemistry, ISU. The Board Office recommended the Board approve the name change for the Department of Biophysics and Biochemistry to the Department of Biochemistry, Biophysics and Molecular Biology at Iowa State University effective immediately.

Iowa State University officials requested approval of a name change for the Department of Biophysics and Biochemistry to the Department of Biochemistry, Biophysics and Molecular Biology. Each impacted department recommended the proposed name change. The new name will be consistent with the name of comparable departments at other major universities.

The name change was reviewed favorably by the Board Office and the Interinstitutional Committee on Educational Coordination.

There are no budgetary or programmatic implications as a result of this name change.

MOTION: Regent Pellett moved to approve the name change for the Department of Biophysics and Biochemistry to the Department of Biochemistry, Biophysics and Molecular Biology at Iowa State University effective immediately. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

(f) Course Changes, SUI. The Board Office recommended the Board approve the proposed course changes at the University of Iowa effective immediately.

University of Iowa officials submitted its list of proposed course changes for the approval by the Board of Regents. The proposed course offerings represent the continuing response of the university to the changing educational needs of students, changing disciplinary emphasis, and the vitality of the university's faculty. The course changes do not include any new programs of study.

The proposed course changes were reviewed by the Board Office and the Interinstitutional Committee on Educational Coordination, and both recommended approval.

MOTION: Regent Fisher moved to approve the proposed course changes at the University of Iowa effective immediately. Regent Kelly seconded the motion. MOTION CARRIED UNANIMOUSLY.

(g) Proposal to Change the Name of the Master's Degree in Hospital and Health Administration, SUI. The Board Office recommended the Board approve the proposal to change the name of the Master's Degree in Hospital and Health Administration from the Master of Arts (MA) to the Master of Health Administration (MHA) at the University of Iowa effective immediately.

The proposal for the name change was reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office, and both recommended approval.

MOTION: Regent Smith moved to approve the proposal to change the name of the Master's Degree in Hospital and Health Administration from the Master of Arts (MA) to the Master of Health Administration (MHA) at the University of Iowa effective immediately. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

(h) Proposal to Establish a Minor in Information Management, SUI. The Board Office recommended the Board approve the request to establish an Information Minor at the University of Iowa effective immediately.

University of Iowa officials requested approval to offer a new minor in Information Management within the School of Library and Information Science. The proposed program would allow students to complete a curriculum that would enhance a variety of undergraduate degrees.

The proposal was reviewed by the Board Office and the Interinstitutional Committee on Educational Coordination, and both recommended approval.

Minor programs are meant to complement students' major fields of study by offering a sequence of critical knowledge and skills for the effective organization and utilization of information. The proposed program will meet an existing need for students and will make graduates more attractive in the job market. There are no new costs associated with this program as it will build off existing offerings at the university.

Regent Fisher asked if there is a major in this field also. Provost Whitmore responded that the university offers a graduate degree in the program. This proposal was an attempt to serve a broader range of undergraduates but there was not a major at the undergraduate

level. The proposal reflects a growing trend across the country for students to have information management in their background.

Regent Fisher noted that at some time the minor would probably evolve into a major. Provost Whitmore responded that the only way that would happen would be to add additional faculty members. This proposal was an attempt to offer meaningful courses for undergraduates without expanding faculty at this time.

MOTION: Regent Fisher moved to approve the request to establish an Information Minor at the University of Iowa effective immediately. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

(i) Proposal to Establish a Master of Computer Science Degree, SUI. The Board Office recommended the Board approve the request to establish a Master of Computer Science (M.C.S.) Degree in the Department of Computer Science in the College of Liberal Arts at the University of Iowa subject to approval by the Iowa Coordinating Council for Post High School Education.

University of Iowa officials requested approval for a Master of Computer Science Degree in the Department of Computer Science. The university currently offers the Master of Science (M.S.) degree. The proposed Master of Science degree was developed in response to demand for a terminal degree designed for persons entering business or industry.

The proposal was reviewed by the Board Office and the Interinstitutional Committee on Educational Coordination, and both recommended approval.

MOTION: Regent Kelly moved to approve the request to establish a Master of Computer Science (M.C.S.) Degree in the Department of Computer Science in the College of Liberal Arts at the University of Iowa subject to approval by the Iowa Coordinating Council for Post High School Education. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

(j) Approve a Masters of Social Work Degree, UNI. The Board Office recommended the Board approve the University of Northern Iowa's proposal for a Master of Social Work program effective immediately.

University of Northern Iowa officials sought approval to offer a Master of Social Work (MSW) degree. The university currently offers an undergraduate degree in Social Work; therefore, some of the faculty and other resources needed for a quality program are already in place. The proposed program would combine student interest in the MSW degree with a strong labor market need for more graduates in this field and a strong faculty interest. Although similar programs are offered at the University of Iowa and at St. Ambrose University, the demand for graduates nationally out-strips the number of graduates produced by existing programs.

The proposed program was reviewed by the Board Office and the Interinstitutional Committee on Educational Coordination, and both recommended approval.

University officials stated that the needed funding would be included in the Board of Regents' legislative request next session. If funding is not provided by the legislature, the

program will be deferred until such time as the needed funding is provided. The program would require \$513,430 in additional resources the first year and similar levels of additional funds the next two years. The funds would be used to hire additional faculty and graduate assistants, equipment, library resources, and other expenses.

Regent Kennedy asked about the additional resources that would be required. Provost Whitmore responded that \$513,000 would be required for the first year, with required resources being a little less the years following. He noted that university officials would be asking for a budget increase to support the program.

President Koob stated that university officials have requested funding for this program to respond to a significant demand for the program. If the request is not funded, implementation would be delayed.

Regent Kennedy asked if university officials had considered delivering the program statewide within the budget. President Koob responded that university officials had considered delivering the program statewide for clinical experience-based social work. Once the program is up and running and accredited, it will be delivered statewide.

MOTION: Regent Smith moved to approve the University of Northern Iowa's proposal for a Master of Social Work program effective immediately. Regent Ahrens seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

(k) University of Northern Iowa Post-Audit Reviews. The Board Office recommended the Board (1) approve the post-audit reports on the Master of Science Program in Environmental Science/Technology and the Master of Arts Major in Women's Studies and (2) approve the continuance of the programs.

Board of Regents policy requires that all new programs be evaluated after the first graduating class (or five years) to see if the program has met the original expectations and goals. University of Northern Iowa officials reported on two programs under this policy.

The two post-audit reports were favorably reviewed by the Board Office and the Interinstitutional Committee on Educational Coordination.

The Master of Science Program in Environmental Science/Technology and the Master of Arts Major in Women's Studies both meet the enrollment, cost, and need expectations established when the programs were initially approved by the Board.

MOTION: Regent Fisher moved to (1) approve the post-audit reports on the Master of Science Program in Environmental Science/Technology and the Master of Arts Major in Women's Studies and (2) approve the continuance of the programs. Regent Pellett seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

ANNUAL GOVERNANCE REPORT OF THE IOWA SCHOOL FOR THE DEAF ADVISORY COMMITTEE. The Board Office recommended the Board (1) receive the report, (2) approve appointment of Douglas C. Baynton (University of Iowa), Carla Peterson (Iowa State University), and Roger A. Kueter (University of Northern Iowa) to two-year terms on the Iowa School for the Deaf Advisory Committee (September 1, 1998, to

August 30, 2000) and Paul Retish (University of Iowa) to a one-year term (September 1, 1998, to August 30, 1999), and (3) approve expanding the Advisory Committee to provide for a public member from Iowa and a public member from Nebraska.

The Iowa School for the Deaf Advisory Committee presented its annual report to the Board of Regents as specified in the Board of Regents' Procedural Guide. The committee serves a three-fold purpose: (1) to advise the Board of Regents on policy matters relating to the education of deaf students, (2) to advise the superintendent in the development of policy based on current educational research, and (3) to forge linkages between the universities and the school for research and professional development opportunities.

The Advisory Committee consists of a faculty member and an administrator from each university, a consultant in deaf education from outside the state of Iowa, and a "consumer," a member of the public. The consultant and consumer nominations will be presented to the Board in September.

During the 1997-1998 school year, the Advisory Committee met twice. The committee reviewed proposed changes to the Sign Language Proficiency policy in place at the school and recommended further study before any change in policy be presented to the Board. The committee has reviewed the strategic plan and participated in brainstorming with the administrative team about meaningful, quantifiable performance indicators to be included in the plan. Other policy statements were reviewed and submitted to the Board of Regents for approval.

Director Barak reviewed with the Regents the composition of the special schools' advisory committees and their purposes.

MOTION:

Regent Fisher moved to (1) receive the report, (2) approve appointment of Douglas C. Baynton (University of Iowa), Carla Peterson (Iowa State University), and Roger A. Kueter (University of Northern Iowa) to two-year terms on the Iowa School for the Deaf Advisory Committee (September 1, 1998, to August 30, 2000) and Paul Retish (University of Iowa) to a one-year term (September 1, 1998, to August 30, 1999), and (3) approve expanding the Advisory Committee to provide for a public member from Iowa and a public member from Nebraska. Regent Kennedy seconded the motion.
MOTION CARRIED UNANIMOUSLY.

ANNUAL GOVERNANCE REPORT OF THE IOWA BRAILLE AND SIGHT SAVING SCHOOL ADVISORY COMMITTEE. The Board Office recommended the Board (1) receive the report, (2) approve appointment to two-year terms (September 1, 1998, to August 31, 2000) of Kathryn Gerken (University of Iowa), Judy Brun (Iowa State University), Glenn Hansen (University of Northern Iowa), Mary Jean Sanspree (Consultant from the University of Alabama Birmingham), and R. Creig Slayton (Consumer from the Iowa Department for the Blind), and (3) approve the appointment to a one-year term (until August 31, 1999) of Christine McFarlane (University of Northern Iowa).

The Iowa Braille and Sight Saving School Advisory Committee presented its annual report as specified in the Board of Regents' Procedural Guide. The committee serves a three-fold purpose: (1) to advise the Board of Regents on policy matters related to the education of visually impaired students, (2) to advise the superintendent in the development of policy

based on current educational research, and (3) to forge linkages between the universities and the school for research and professional development opportunities.

The committee is comprised of an administrator and a faculty member from each Regent university working with a consultant from outside of Iowa and consumer of services to the visually impaired.

The Advisory Committee met twice during the past year and will have an additional meeting this summer shortly after the Board meeting. The majority of the committee's agenda has involved reviewing with Superintendent Thurman the progress on the school's strategic plan. The Advisory Committee had a presentation on the outcomes-based accreditation process in which the school is involved. During each meeting, committee members were invited to visit the school's technology center to review integration of technology into the educational processes of the school.

MOTION: Regent Fisher moved to (1) receive the report, (2) approve appointment to two-year terms (September 1, 1998, to August 31, 2000) of Kathryn Gerken (University of Iowa), Judy Brun (Iowa State University), Glenn Hansen (University of Northern Iowa), Mary Jean Sanspree (Consultant from the University of Alabama Birmingham), and R. Creig Slayton (Consumer from the Iowa Department for the Blind), and (3) approve the appointment to a one-year term (until August 31, 1999) of Christine McFarlane (University of Northern Iowa). Regent Pellett seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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 had quite an extensive meeting. It received many reports including FY 1999 internal audit plans, status of institutional internal audit follow-up, state audit reports, and internal audit reports for Iowa State University. She said the members discussed the University of Iowa Facilities Corporation bond issuance and recommended that action be taken in August. She asked that Regents check their calendars to determine their availability for a telephonic meeting on August 11 at 1:30 p.m.

Regent Kennedy stated the Banking Committee had requested that Wilshire Associates provide a report on Walter Scott and Partners, the Board's international fund manager. The Banking Committee reviewed an extensive report and discussed the matter with Mike Palmer of Wilshire Associates at its meeting. A determination was made that unless there is a very good reason, the Board should not change a money manager when it is experiencing a downturn. Walter Scott has not made any philosophical changes in its handling of investments. The Banking Committee will monitor Walter Scott's performance monthly until the end of the year in order to feel confident that the firm is being fiscally responsible. She stated that approximately 50 percent of Walter Scott's investments are in the Japanese market.

Regent Fisher noted that Walter Scott and Partners invests approximately \$9 million of Regent institutional funds, which is approximately 6 percent of the total portfolio.

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

(b) Preliminary Resolution for the Sale of Dormitory System Revenue Bonds, Series I.S.U. 1998A. The Board Office recommended that the Board adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$14,000,000 Dormitory Revenue Bonds, Series I.S.U. 1998A.

The bonds would be sold to construct and equip a residence hall (apartment units) and related facilities at Iowa State University and make other necessary improvements to the residence system. The bonds will be issued for a period of 25 years, with debt service of approximately \$1,000,000 annually to be paid from net rents, profits and income from the operation of the residence system. The university's residence system is a self-supporting operation and receives no state appropriations.

A September 1998 sale for the bond issue was included on the proposed bond issuance schedule presented to the Banking Committee last month. The Board, at its June 1998 meeting, authorized the university to proceed with Phase 1 – Hawthorn Court – of the university's proposed residence system master plan. Phase 1, in total, would construct apartments with 1,000 beds for single students and a food and retail convenience center in Hawthorn Village. A portion of the apartment beds and the food and retail convenience center would be constructed as part of Phase 1a. University officials desire to have some of the apartment units available for occupancy as soon as possible. The remaining portion of the Phase 1 project (Phase 1b) would be funded from bonds to be sold in May 1999 as per the bond issuance schedule adopted last month.

MOTION:

Regent Kennedy moved to approve A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$14,000,000 Dormitory Revenue Bonds, Series I.S.U. 1998A. Regent Fisher seconded the motion, and upon the roll being called, the following voted:

AYE: Ahrens, Fisher, Kelly, Kennedy, Newlin, Pellett, Smith.

NAY: None.

ABSENT: Arenson, Lande.

MOTION CARRIED.

(c) Master Lease Refinancing – Institute of Hydraulic Research Modeling Facility and Laundry Replacement Facility, SUI. The Board Office recommended that the Board authorize the University of Iowa to refinance the master lease agreements for the Hydraulic Research Modeling Facility and Laundry Replacement Facility.

In 1996 the Board authorized the University of Iowa to utilize master lease financing to finance construction of the Hydraulic Research Modeling Facility and the Laundry Replacement Facility. Both projects were financed over a period of seven years, which was the maximum lease period under the then current master lease agreement with Norwest Investment Services. Interest rates were set at the time the borrowing commitment was executed. The rate obtained for the modeling facility was 5.78 percent, with semi-annual payments of \$49,115.50. The laundry facility was financed at a rate of 5.48 percent with semi-annual payments of \$335,558.29.

As interest rates have declined, university officials have explored with Springsted, the Board's financial advisor, and Norwest Investment Services the possibility of refinancing the outstanding principal for the projects. In addition, the current master lease agreement

with Norwest, which was effective after the use of master lease financing was approved for these projects, provides for a maximum repayment period of ten years.

University officials proposed to refinance the Hydraulic Research Modeling Facility for the 11 remaining payments. Based upon current projected interest rates, the refinancing would save more than \$7,700 over the remainder of the financing period.

University officials proposed to refinance the Laundry Replacement Facility for an additional 20 payments. The refinancing is expected to provide gross savings of more than \$115,000 for each semi-annual period during the remaining term of the initial lease period and is expected to provide more than \$23,000 in present value savings over the length of the entire agreement.

MOTION: Regent Kennedy moved to authorize the University of Iowa to refinance the master lease agreements for the Hydraulic Research Modeling Facility and Laundry Replacement Facility. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

FINAL APPROVAL OF DETAILED BUDGETS FOR FISCAL YEAR 1999. The Board Office recommended the Board refer to the individual budgets for FY 1999.

The final FY 1999 detailed budgets for all funds of the Regent institutions total \$2.3 billion of which \$1.0 billion represents the restricted fund budgets and \$1.3 billion represents the general fund operating budgets.

With respect to revised revenue estimates, the general fund operating budget totals of the institutions have changed only at Iowa Braille and Sight Saving School from the presentation at the June Board meeting. The institutional restricted fund budgets include the allocations of the \$450,000 Regent technology appropriation as approved at the June Board meeting. The institutions are using the technology funds in accordance with the Board-approved request.

The institutional budgets reflect the strategic plans of the Board and each respective institution. The institutions have identified reallocations in accordance with the Board's five-year program; reallocations average two percent per year and are designed to increase effectiveness and efficiency consistent with the Board's strategic planning goals.

FY 1999 Final All Funds Budgets

<u>Resources</u>		% of Total
Appropriations		
General	\$642,097,052	28.2
Capital	26,635,000	1.2
Tuition Replacement	27,871,116	1.2
Other	1,044,693	0.1
Federal Support	211,258,753	9.3
Interest	10,260,354	0.4
Tuition and Fees	256,593,215	11.3
Reimbursed Indirect Costs	48,889,254	2.1
Sales and Service	588,963,602	25.9
Other	461,765,029	20.3
Total Resource	<u>\$2,275,378,068</u>	<u>100.0</u>
<u>Expenditures</u>		
Salaries	\$1,261,416,562	55.4
Supplies	480,449,391	21.1
Utilities	64,167,299	2.8
Building Repairs	40,503,071	1.8
Equipment	54,766,085	2.4
Aid to Individuals	102,227,002	4.5
Other	29,660,249	1.3
Debt Service	58,178,614	2.6
Plant Capital	184,009,795	8.1
Total Expenditures	<u>\$2,275,378,068</u>	<u>100.0</u>

Regent Fisher asked about the \$184 million expenditure for plant capital (above). Executive Director Stork stated the amount was cumulative for all 5 institutions. President Coleman and Vice President True responded that it included all expenditures in the plants including remodeling of Maple Hall at Iowa State University (\$14 million), Biology renovation at the University of Iowa, etc.

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

(a) University of Iowa. The Board Office recommended the Board approve the final FY 1999 all funds budget for the University of Iowa in the amount of \$1,351,198,966.

The final FY 1999 budget at the University of Iowa totals almost \$1.4 billion of which \$537.2 million represents the restricted fund budget and \$814.0 million represents the general operating fund budget. The general operating fund total is unchanged from the budget submitted to the Board in June.

The budget for the restricted fund of \$537.2 million includes sponsored programs primarily for research and student aid, auxiliary enterprise functions, as well as bonding activities and capital projects. The Regent appropriation allocation for technology improvements of \$175,000, which was approved at the June Board meeting, will be used for the purchase and installation of instructional sound and audio-visual systems.

The University of Iowa budget reflects the university's commitment to the strategic plans of the Board and the institution. The general fund operating budget focuses on the strategic planning priorities of strengthening undergraduate and graduate programs, funding research enhancement, promoting faculty excellence, and providing a diverse university community and a high-quality environment. The restricted fund budget meets the university's most critical needs and provides essential services within the limits of available resources, as guided by the strategic plan.

The continuing evolution of services paid by managed care entities negatively impacts the revenues of UIHC, the Psychiatric Hospital, and the University Hospital School. The long-term trend of increases in patient admissions, surgical operations, ambulatory clinic visits, and clinical complexity of acute inpatients is expected to continue.

President Coleman stated there was no change in the University of Iowa budget from the previous presentation. She said university officials are excited about the initiatives in the biosciences and in the arts and humanities. Some issues in the library will also be addressed. The university's budget is closely aligned with the strategic plan of the university. University officials are excited about the fall semester starting and students returning to the campus. Students will return to a completely renovated and updated auditorium in Macbride Hall which, she noted, was accomplished with internal funding. The old swimming pool area of Halsey Gym was renovated into a fitness center. Landscaping was done around the residence halls. Student health facilities were completely upgraded in Westlawn. Students will be returning to a much improved facility. She was looking forward to a great fall.

Regent Pellett referred to the university's initiatives for improving undergraduate education. The university's efforts will expand the student retention and career services program. She said anything that can be done to help graduates prepare for their future careers and advising should be done. She was very much in favor of doing anything the university can do for student career placement and advising.

President Coleman said the university is starting the Iowa Advantage program this fall. There will be portfolio preparation for students to help them secure employment. University officials will help students learn how to present their experiences. She noted that the university's placement services are also a recruitment tool. Parents are interested in placement.

MOTION: Regent Fisher moved to approve the final FY 1999 all funds budget for the University of Iowa in the amount of \$1,351,198,966. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Iowa State University. The Board Office recommended the Board approve the final FY 1999 all funds budget for Iowa State University in the amount of \$699,874,433.

The final FY 1999 all funds budget at Iowa State University totals \$699.9 million of which \$338.1 million represents the restricted fund budget and \$361.8 million represents the general fund operating budget. The general fund total is unchanged from the budget submitted to the Board in June.

The budget for the restricted fund of \$338.1 million includes sponsored programs, auxiliary enterprise functions, independent operations on campus as well as bonding activities and capital projects. The Regent appropriation allocation for technology improvements of \$175,000, which was approved at the June Board meeting, is included in the restricted fund and will be used toward professional and scientific supplies and equipment consistent with the technology plan approved by the Board.

The Iowa State University budget reflects the university's commitment to the strategic plans of the Board and the institution. The university's budget has been developed in accordance with the six goals of Iowa State University's strategic plan to strengthen

undergraduate education, strengthen graduate education and research, strengthen outreach and extension, sustain a stimulating and supportive environment, establish leadership in information technology, and strengthen economic development.

President Jischke stated there were no changes from the budget the Board reviewed last month. He said this budget will allow the university to continue to make progress.

MOTION: Regent Ahrens moved to approve the final FY 1999 all funds budget for Iowa State University in the amount of \$699,874,433. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) University of Northern Iowa. The Board Office recommended the Board approve the final FY 1999 all funds budget for the University of Northern Iowa in the amount of \$209,221,021.

The final FY 1999 all funds budget at the University of Northern Iowa totals \$209.2 million of which \$91.8 million represents the restricted fund budget and \$117.4 million represents the general fund operating budget. The general fund operating budget total is unchanged from the budget submitted to the Board in June.

The FY 1999 restricted funds budget of \$91.8 million includes state appropriations for capitals and tuition replacement, as well as revenues from sales and services, federal support, tuition and fees, and other gifts and grants. The Regent appropriation allocation for technology improvements of \$90,000 will be used to upgrade the university network.

At the March 1998 Board meeting, university officials were requested to reevaluate the residence system budget in light of the anticipated low voluntary reserves at the end of FY 1999. University officials reviewed its preliminary FY 1999 residence system budget and were confident that it will sufficiently meet all obligations and will continue to allow for reasonable future repairs and maintenance projects.

The University of Northern Iowa budget reflects the university's commitment to the strategic plans of the Board and the institution. The budget emphasizes the strategic goals of creating an intellectually demanding and stimulating environment, promoting a diverse and nurturing community, optimizing acquisition and utilization of resources, and strengthening external relations.

President Koob stated the university's budget was the same as that presented last month. He said he was proud of the way the budget emphasizes the university's focus on students.

MOTION: Regent Pellett moved to approve the final FY 1999 all funds budget for the University of Northern Iowa in the amount of \$209,221,021. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Iowa School for the Deaf. The Board Office recommended the Board (1) approve the final FY 1999 all funds budget for the Iowa School for the Deaf in the amount of \$9,531,648 and (2) request periodic updates for presentation to the Board regarding the status of the FY 1999 restricted fund budget in relation to the number of Nebraska students being served.

The final FY 1999 all funds budget at the Iowa School for the Deaf is \$9.5 million of which \$1.7 million represents the restricted fund budget and \$7.8 million represents the general fund operating budget. The general fund budget is unchanged from the budget submitted to the Board in June. The budget for the restricted fund has changed slightly to include the Regent technology appropriation allocation of \$5,000 that Iowa School for the Deaf will use to upgrade computer technology in the residence program.

The FY 1999 final restricted fund budget includes significant anticipated revenue from Nebraska for students attending Iowa School for the Deaf for the upcoming school year. The revenue projection from Nebraska is based on 18 students participating in both academic and residential programs and 5 students in just the academic program. The funds from Nebraska for providing academic and residential services to the Nebraska students will be segregated from Iowa School for the Deaf's general fund budget, as will the associated costs.

The Iowa School for the Deaf budget reflects the strategic plans of the Board and the school and emphasizes the educational programming envisioned in the mission statement of Iowa School for the Deaf to provide comprehensive and appropriate educational programs to enable deaf and hard of hearing children to attain personal excellence. The school's budget includes comprehensive on-campus academic, vocational, and residential programming, off-campus educational opportunities in a variety of public school settings, parent/infant (early childhood) services, and summer learning components.

Superintendent Johnson stated that Iowa School for the Deaf officials would keep the Board apprised of the restricted funds coming from Nebraska. The Regents would receive more specific information at the September meeting. The Nebraska funding will be segregated in the restricted fund budget. He said the Nebraska funds were included in the restricted fund budget presented at this meeting.

Regent Fisher asked how much of the total restricted fund budget was funds from Nebraska. Superintendent Johnson responded that virtually all -- \$1.3 million -- of the restricted funds were from Nebraska.

MOTION:

Regent Fisher moved to (1) approve the final FY 1999 all funds budget for the Iowa School for the Deaf in the amount of \$9,531,648 and (2) request periodic updates for presentation to the Board regarding the status of the FY 1999 restricted fund budget in relation to the number of Nebraska students being served. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

(e) Iowa Braille and Sight Saving School. The Board Office recommended the Board approve the final FY 1999 budget for the Iowa Braille and Sight Saving School in the amount of \$5,552,000.

The final FY 1999 budget for all funds at the Iowa Braille and Sight Saving School is \$5.6 million of which \$1.1 million represents the restricted fund budget and \$4.5 million represents the general fund operating budget. The general fund budget changed slightly from the budget submitted to the Board in June due to revenue refinements.

The restricted fund budget revenues consist of federal grants, outreach billings, vehicle sale proceeds, capital appropriations, and endowment funds. The Regent technology

appropriation allocation of \$5,000, which was approved at the June Board meeting, is included in the restricted fund and will be used to purchase video editing equipment.

The Iowa Braille and Sight Saving School budget reflects the strategic plan of the Board as well as the newly-developed strategic plan of the school that was approved at the May Board meeting. The budget emphasizes the strategic goals of the Iowa Braille and Sight Saving School, which include focusing services to better meet the needs of visually-impaired students, continuing an outcomes accreditation process, incorporating technology into the educational programs, and encouraging continuous improvement.

Superintendent Thurman stated that the docket memorandum covered the changes that are occurring at the school which were reflected in the budget. He noted that the restricted fund budget was 20 percent of the total budget. Six years ago school officials calculated that 7 percent of the total operating budget was from other sources. The school was now approaching 20 percent of the budget being from other sources. He said that is the way the school will go in the future.

MOTION: Regent Pellett moved to approve the final FY 1999 budget for the Iowa Braille and Sight Saving School in the amount of \$5,552,000. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

(f) Regional Study Centers. The Board Office recommended the Board approve the FY 1999 final budgets for the Quad-Cities Graduate Study Center (\$362,776), the Tri-State Graduate Study Center (\$130,834) and the Southwest Iowa Regents Resource Center (\$135,375).

Each year funds are appropriated to the Board of Regents for distribution to the Quad-Cities Graduate Study Center, the Tri-State Graduate Study Center and the Southwest Iowa Regents Resource Center. The annual reports and budgets of the Regional Study Centers provide one method for addressing Action Step 2.1.1.1 of the Board of Regents Strategic Plan - Annually Assess Access to Regent Institutions. The annual reports were presented to the Board in May 1998. The Board approved the distribution of appropriated FY 1999 funds at its June 1998 meeting.

The budgets remained unchanged from those presented to the Board in June.

MOTION: Regent Kennedy moved to approve the FY 1999 final budgets for the Quad-Cities Graduate Study Center (\$362,776), the Tri-State Graduate Study Center (\$130,834) and the Southwest Iowa Regents Resource Center (\$135,375). Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

(g) Lakeside Laboratory. The Board Office recommended the Board approve the FY 1999 final operating budget of \$411,100 for the Iowa Lakeside Laboratory, including \$334,340 in general funds to be provided as follows:

University of Iowa	\$165,797
Iowa State University	101,657
University of Northern Iowa	<u>66,886</u>
Total	\$334,340

The general fund budget of \$334,340 for the FY 1999 operation of the laboratory is the same amount as recommended by the Iowa Lakeside Laboratory Committee and included in the budgets presented in May and June. These funds would be provided by the universities in the amounts detailed. The distribution of funding among the institutions is consistent with the distribution in prior and current years.

For each fiscal year FY 1995 – FY 1997, expenditures of the laboratory exceeded the Board-approved budget. In total, expenditures were \$50,335 greater than the approved budgets. To improve the accounting of revenues and expenditures the Board approved establishment, beginning with FY 1998, of a budgeted account at Iowa State University. After almost a year of experience with the budgeted account, additional funds are needed to sustain the operations and educational programs of the laboratory and ensure that the budget is balanced. In June 1998 the Board authorized Iowa State University to put into effect pre-audit controls to ensure that the expenditures of the laboratory are within the approved budget of the Board of Regents.

Executive Director Stork stated that the general fund budget of Lakeside Laboratory was the same as what was presented last month. The recommendation includes authorization for Iowa State University to put into effect some pre-audit controls at the laboratory. He noted that President Newlin and he had attended the Waitt Water Quality Lab dedication last Friday. President Newlin made some remarks. It is quite an impressive facility and is the cornerstone for development of the laboratory in the future.

President Newlin stated that the local community had raised the entire amount of money to build the new facility. There is very strong community support for Lakeside Laboratory.

Executive Director Stork noted that the community will continue to raise money for continued support of the Lakeside Laboratory.

MOTION: Regent Kennedy moved to approve the FY 1999 final operating budget of \$411,100 for the Iowa Lakeside Laboratory, including \$334,340 in general funds to be provided as presented. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

PRELIMINARY OPERATING APPROPRIATION REQUESTS FOR FISCAL YEARS 2000 AND 2001. The Board Office recommended the Board (1) give preliminary consideration to the Regent technology initiative for \$10.1 million in state appropriations for FY 2000 - FY 2001 for technology improvements and (2) refer to the individual final budgets for FY 1999.

The Regent institutions requested \$690.7 million (+7.6 percent) in state operating appropriations for FY 2000. The Board Office recommended funding at \$662.1 million (+3.1 percent) for FY 2000. The recommended amount is exclusive of funds for Regents salary increases because state salary policy will not be established until after collective bargaining agreements are concluded.

For FY 2001, Regent institutions requested \$735.7 million (+6.5 percent) in state operating appropriations. The Board Office recommended funding at \$682.4 million (+3.1 percent) excluding salary policy for FY 2001. The requested and recommended appropriations follow the strategic planning goals of the Board and institutions.

The recommended funding includes salary annualization, inflation, building repairs, opening new buildings, undergraduate improvements, graduate and research assistance, and a variety of institutional initiatives.

Although salary annualization was included in the preliminary appropriation requests, the Department of Management indicated that it will be considered part of the separate state salary appropriation. In September, the institutional budgets will also be presented in a format consistent with the Governor's goal for incorporating budgeting for results.

A Regent-wide technology initiative was recommended at \$10.1 million for the next two fiscal years for state appropriations to support development and use of technological information, access to computerized data, and other technological improvements. Funding for this initiative will ensure Iowa's position of leadership and enhance the educational opportunities for the 21st century.

Executive Director Stork said the Board Office will respond to Regents' comments regarding the preliminary recommendations for the appropriation requests and will meet with institutional officials between now and September to further develop the recommendations.

ACTION: President Newlin stated the Board gave preliminary consideration to the Regent technology initiative for \$10.1 million in state appropriations for FY 2000 - FY 2001 for technology improvements, by general consent.

(a) University of Iowa. The Board Office recommended the Board receive the report on the FY 2000 and FY 2001 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 2000 was \$316,751,687 (+7.0 percent) and for FY 2001 was \$334,610,381 (+5.6 percent).

The preliminary Board Office recommendation for state appropriation funding for FY 2000 was \$305,286,909 (+3.1 percent) and for FY 2001 was \$314,484,812 (+3.0 percent).

The university's request and the Board Office preliminary recommendation for FY 2000 and FY 2001 state appropriations for operations for the University of Iowa were as follows:

University of Iowa	FY 2000		FY 2000	
	<u>Request</u>	<u>% Increase</u>	<u>Recommendation</u>	<u>% Increase</u>
General University	\$252,012,141	6.8	\$243,340,649	3.1
University Hospitals	32,299,840	1.5	32,106,935	0.9
Psychiatric Hospital	8,044,496	1.0	8,015,100	0.6
Hospital School	7,313,399	4.6	7,045,014	0.8
Oakdale Campus	3,178,186	2.5	3,156,068	1.8
Hygienic Laboratory	4,012,470	3.7	3,903,338	0.8
Family Practice	2,315,480	0.1	2,314,687	0.1

SCHS CA/HE	552,334	0.1	552,068	0.1
Special Purpose	<u>7,023,341</u>	<u>105.0</u>	<u>4,853,050</u>	<u>41.7</u>
Total	\$316,751,687	7.0	\$305,286,909	3.1

	FY 2001		FY 2001	
	<u>Request</u>	<u>% Increase</u>	<u>Recommendation</u>	<u>% Increase</u>
University of Iowa				
General University	\$267,066,141	6.0	\$250,632,569	3.0
University Hospitals	32,760,884	1.4	32,356,303	0.8
Psychiatric Hospital	8,108,682	0.8	8,049,274	0.4
Hospital School	7,738,499	5.8	7,075,363	0.4
Oakdale Campus	3,246,606	2.2	3,201,704	1.4
Hygienic Laboratory	4,025,910	0.3	3,976,309	1.9
Family Practice	2,317,940	0.1	2,316,328	0.1
SCHS CA/HE	553,234	0.2	552,668	0.1
Special Purpose	<u>8,792,485</u>	<u>25.2</u>	<u>6,324,294</u>	<u>30.3</u>
Total	\$334,610,381	5.6	\$314,484,812	3.0

Incremental appropriations for FY 2000 and FY 2001 as requested by the university and recommended by the Board Office were as follows:

	FY 2000 <u>Request</u>	FY 2000 <u>Recommend.</u>	FY 2001 <u>Request</u>	FY 2001 <u>Recommend.</u>
Salary Annualization	\$ 572,718	\$ 572,718	\$ 0	\$ 0
Inflation	3,749,187	2,651,830	3,773,670	2,628,903
Building Repairs	1,296,410	600,000	1,296,410	600,000
Opening New Buildings	232,213	205,000	730,920	689,000
Strengthening	2,250,000	1,000,000	2,250,000	1,250,000
Undergraduate Education				
Research and Graduate	1,000,000	250,000	1,000,000	250,000
Education				
Child Care	100,000	30,000	100,000	30,000
Institutional Initiatives	<u>11,523,798</u>	<u>3,950,000</u>	<u>8,707,694</u>	<u>3,750,000</u>
	<u>\$20,724,326</u>	<u>\$9,259,548</u>	<u>\$17,858,694</u>	<u>\$9,197,903</u>

Salary annualization funding of \$572,718 for FY 2000 was recommended to pay merit salaries increments and benefits for which commitments have already been made. In accordance with the Department of Management guidelines for FY 2000, salary annualization will not be included in the general appropriation request. Salary annualization will become part of the salary adjustment funding along with the adjustments for the state salary policy.

Inflation funding for general expenses and utilities was recommended at 2 percent for both FY 2000 and FY 2001 and for libraries was 12 percent for FY 2000 and 10 percent for FY 2001.

The requested funding for utilities inflation reflects \$96,000 in FY 2000 and \$68,000 in FY 2001 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 do not include these costs.

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

Opening new building costs for FY 2000 were based on a mid-year opening of the Biology Building; FY 2001 costs were based on the remaining half year for the Biology Building as well as full year costs for the Seamans Center (Engineering Building).

Institutional Initiatives				
	FY 2000		FY 2001	
	<u>Request</u>	<u>Recom.</u>	<u>Request</u>	<u>Recom.</u>
Library and Information Services Enhancements	\$1,000,000	\$ 500,000	\$1,000,000	\$ 500,000
Technology-Based Teaching	750,000	250,000	500,000	250,000
Increasing Diversity	400,000	0	400,000	0
Classroom, Modernization, Technology & Support	2,000,000	400,000	2,000,000	500,000
Next Generation Science Faculty	2,000,000	500,000	2,000,000	500,000
Transforming Teacher Education	500,000	500,000	500,000	500,000
Biosciences	500,000	250,000	0	0
Arts & Humanities	250,000	150,000	0	0
Social Sciences	250,000	0	250,000	0
Hospital School-Comprehensive Assistive Technology Services	56,100	0	116,800	0
Hospital School-Expanded Biobehavioral Service	159,700	0	224,600	0
Hygienic Laboratory - Virtual Laboratory	98,000	0	-21,000	50,000
Special Purpose				
Public Health	1,850,000	1,250,000	1,800,000	1,250,000
Iowa Center for Agriculture Safety & Health	141,206	0	13,621	0
Center for Biocatalysis	74		4,024	0
Center for Advanced Drug Development	299,753	0	(114,290)	0
Iowa Substance Abuse Consortium	27,692	0	3,846	0
National Advanced Driving Simulator	11,398	0	11,854	0
Iowa Birth Defects Registry	359,910	100,000	16,397	50,000
State of Iowa Cancer Registry	198,846	50,000	6,102	50,000
Oakdale Research Park	42,053	0	(2,890)	0
Technology Innovation Center	79,259	0	(780)	0
Center of Environmental Health	50,000	0	0	0
Center for Global Environmental Research	500,000	0	0	100,000
Primary Health Care Initiative	(193)	0	(590)	0
	<u>\$11,523,798</u>	<u>\$3,950,000</u>	<u>\$8,707,694</u>	<u>\$3,750,000</u>

President Coleman thanked Executive Director Stork for his work on the university's appropriation request. He had only about a week to work through massive documents from the university. She said the Board Office had given university officials a nice menu with which to work. The university's request closely matches the strategic plan and priorities of the university.

President Coleman provided highlights of a couple of areas she said were extremely significant. She referred to the presentation by Dean Kelch on the Public Health Initiative and said university officials are very excited about the initiative. Several other areas in the appropriations request were also new. University officials requested ongoing funding for the next generation of science faculty. There is a large cohort of faculty hired in the 1960s

who will be retiring. She said it was particularly challenging to hire faculty in the sciences to build the next cohort of educators. The challenge has to do with providing appropriate space and equipment start-up packages for science faculty. It is not unusual for faculty to require \$400,000 to \$500,000 for start-up. University officials requested ongoing support to provide what faculty need in order to get their external grant funding.

Another area emphasized in the appropriation request was that of classroom support to upgrade hardware and software. President Coleman said the request was to maintain the classrooms and to bring 200 general assignment classrooms up to speed technologically. Funding will provide the university with a group of highly expert technicians who can get the classrooms up and running and who are summonable by beeper. The group will be called the Classroom Management Organization. She noted that during the recent North Central Association accreditation visit, University of Iowa officials were commended for trying to approach this problem and get on top of it.

President Coleman provided highlights of the library enhancements. Increasing access to information resources via technology will allow the libraries to convert the remaining print records to electronic records in the university's on-line catalog (OASIS system) and to migrate to a new generation system to accommodate users' increasingly sophisticated information needs. This effort will permit the libraries to be a part of the CIC information system. A CIC virtual library will be created. She said it was strongly recommended and confirmed by the North Central Association that the university do so.

Regent Pellett asked if the Regent universities libraries are presently cooperating back and forth. President Coleman responded that the Regent libraries are cooperating among themselves and with others.

Regent Pellett asked if going onto the CIC information system will eliminate possibilities for collaboration within the state. President Coleman responded that it would enhance collaboration.

Regent Fisher asked about the university's request of \$1 million per year. President Coleman said university officials were requesting \$1 million per year for 2 years. She noted that these were not inexpensive undertakings.

ACTION: President Newlin stated the Board received the report on the FY 2000 and FY 2001 general fund operating appropriation requests of the University of Iowa and preliminary Board Office recommendations, by general consent.

President Coleman introduced Dean Robert Kelch, University of Iowa College of Medicine. She said Dean Kelch would discuss two very exciting projects: the College of Medicine capital plan with the new cancer research facility as well as the Public Health Initiative.

Dean Kelch stated that the new Medical Education and Biomedical Research Facility (MEBRF) will house the university's cancer research center. MEBRF shell space was approved last summer. Dean Kelch has presented to the Board several times that high-quality research space is badly needed at the University of Iowa College of Medicine. The College of Medicine's capital fund-raising campaign has commitments of over \$12 million toward a \$25 million goal. He said university officials are prepared to recommend completion of the cancer research center.

Dean Kelch provided a progress report on the Public Health Initiative. He said the initiative is a special purpose request in the current asking. It will include the development of a School of Public Health at the University of Iowa. He reviewed the vision statement for the School of Public Health. The School of Public Health will work in collaboration with the Iowa State University College of Veterinary Medicine. University officials want the school to be fully accredited by 2003. The Public Health Initiative will include a Health and Independence of Elderly Iowans Program. The School of Public Health will provide an opportunity for students wishing to pursue the primary professional degree in public health, the Master of Public Health (MPH) degree. It is anticipated that many professionals would be interested in the MPH degree. The program may be offered through the Iowa Communications Network as well as on the main campus.

Regent Fisher asked for clarification about the funding for the Public Health Initiative. Was it included as part of the budget the Board just approved or would there be a special appropriation request?

Dean Kelch responded that university officials were asking for a special appropriation which has two components. University officials were asking for \$1.85 million for FY 2000 and an increment in FY 2001, as well.

President Jischke introduced Dean Richard Ross of the Iowa State University College of Veterinary Medicine to report on Iowa State University's role in the Public Health Initiative. He said one aspect of the College of Veterinary Medicine's work has been increased collaboration and research with the University of Iowa particularly as part of the Public Health Initiative in the area of transmission of disease from animals to humans.

Dean Ross stated that it was a pleasure for him to participate with Dean Kelch and to strongly support the Public Health Initiative at the University of Iowa College of Medicine. He said our society faces health risks that affect both humans and animals including microbial contamination of food and diseases that are transmissible between animals and humans. E-coli could be classified as such under certain circumstances. An emerging area is bioterrorism which has a potential risk for both human and animal welfare. There are significant threats to the health of the public. Dean Ross said he feels this is an incredible opportunity to seize on new knowledge. The proposal distributed by Dean Kelch described the College of Veterinary Medicine's involvement. He reviewed the specific areas that might be addressed. There is a major interest on the part of the U.S. Department of Agriculture in this combined initiative. The Public Health Initiative will place the state of Iowa in a position of national leadership. He concluded by stating that this is a very important collaborative effort.

Regent Pellett stressed that the Regents need to support this effort. In animal agriculture there is a great need for strong basic research to be conducted in these areas. There is a television program next week concerning this issue. The media is not even looking at research. She urged the Regents to support this initiative.

President Newlin asked if the university was "going international" with this effort. Dean Kelch responded that the initiative would have a positive effect on public health throughout the entire world. The program is being established with strengths in the College of Medicine and the College of Veterinary Medicine. The School of Public Health will be developed as a model for the entire world.

President Newlin expressed the Board's appreciation for the report and for the work that is being done.

(b) Iowa State University. The Board Office recommended the Board receive the report on the FY 2000 and FY 2001 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 2000 was \$270,807,672 (+8.1 percent) and for FY 2001 was \$291,822,103 (+7.8 percent).

The Board Office recommendation for state appropriations for Iowa State University for FY 2000 was \$258,261,514 (3.1 percent) and FY 2001 was \$266,174,254 (3.1 percent).

The recommended amounts were exclusive of funds for Regents salary increases; the salary increases 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 2000 state appropriations for operations for Iowa State University were as follows:

	FY 2000		FY 2000	
	<u>Request</u>	<u>% Incr</u>	<u>Recomm.</u>	<u>% Incr</u>
General University	\$204,270,266	9.9	\$192,459,582	3.6
Ag. Experiment Station	35,186,362	0.6	35,124,486	0.4
Cooperative Extension	23,793,808	6.2	23,250,836	3.8
Inst. Physical Research & Tech	4,526,634	1.1	4,511,774	0.8
Small Business Development Center	1,278,489	2.4	1,268,776	1.6
Leopold Center	578,427	0.6	577,280	0.4
Veterinary Public Health	250,000	----	150,000	----
World Food Prize	257,500	3.0	255,003	2.0
Research Park (ISIS)	384,959	0.9	383,767	0.6
Livestock Disease Research	<u>281,227</u>	<u>1.3</u>	<u>280,010</u>	<u>0.9</u>
Total	\$270,807,672	8.1	\$258,261,514	3.1

The university's request and the Board Office preliminary recommendation for FY 2001 state appropriations for operations for Iowa State University were as follows:

	FY 2001		FY 2001	
	<u>Request</u>	<u>% Incr</u>	<u>Recomm.</u>	<u>% Incr</u>
General University	\$224,615,756	10.0	\$199,942,887	3.9
Ag. Experiment Station	35,377,661	0.5	35,252,082	0.4
Cooperative Extension	23,926,722	0.6	23,339,490	0.4
Inst. Physical Research & Tech	4,572,597	1.0	4,542,431	0.7
Small Business Development Center	1,308,531	2.4	1,288,814	1.6
Leopold Center	581,975	0.6	579,647	0.4
Veterinary Public Health	500,000		300,000	
World Food Prize	265,225	3.0	260,156	2.0
Research Park (ISIS)	388,645	1.0	386,226	0.6
Livestock Disease Research	284,991	1.3	282,521	0.9
Total	<u>\$291,822,103</u>	<u>7.7</u>	<u>\$266,174,254</u>	<u>3.1</u>

Incremental appropriations for FY 2000 and FY 2001 as requested by the university and recommended by the Board Office were as follows:

	FY 2000		FY 2001	
	<u>Request</u>	<u>Recommend.</u>	<u>Request</u>	<u>Recommend.</u>
Salary Annualization	\$ 185,617	\$ 185,617	\$ 0	\$ 0
Inflation	2,264,947	1,681,206	2,634,352	1,902,661
Building Repairs	3,500,000	600,000	3,500,000	750,000
Opening New Buildings	108,878	66,461	830,079	830,079
Improving Undergraduate Education	5,000,000	1,600,000	6,000,000	1,500,000
Research and Graduate Education	2,200,000	250,000	2,200,000	250,000
Child Care	100,000	30,000	100,000	30,000
Institutional Initiatives	<u>7,000,000</u>	<u>3,400,000</u>	<u>5,750,000</u>	<u>2,650,000</u>
	<u>\$20,359,442</u>	<u>\$7,813,284</u>	<u>\$21,014,431</u>	<u>\$7,912,740</u>

Salary annualization funding of \$185,617 for FY 2000 was recommended to pay merit salaries increments and benefits for which commitments have already been made. In accordance with the Department of Management guidelines for FY 2000, salary annualization will not be included in the general appropriation request. Salary annualization will become part of the salary adjustment funding along with the adjustments for the state salary policy.

The recommended inflation funding for general expenses and utilities was 2.0 percent and for libraries was 12 percent for FY 2000 and 10 percent for FY 2001.

Additional building repair funding was recommended at \$600,000 for FY 2000 and \$750,000 for FY 2001.

Opening new building costs were based on anticipated opening dates.

The recommendation for improving undergraduate education was \$1.6 million for FY 2000 and \$1.5 million for FY 2001. For research and graduate education, the recommendation was \$250,000 for both fiscal years.

Institutional Initiatives			
FY 2000		FY 2001	
<u>Request</u>	<u>Recomm.</u>	<u>Request</u>	<u>Recomm.</u>

Building a Center of Excellence in Fundamental Plant Science	\$5,000,000	\$2,000,000	\$5,000,000	\$2,000,000
Extension 21: Building Extension for the Land-Grant University of the 21st Century	1,250,000	750,000	0	0
Transformation of Teacher Preparation for Education	500,000	500,000	500,000	500,000
Cooperative Veterinary Public Health	<u>250,000</u>	<u>150,000</u>	<u>250,000</u>	<u>150,000</u>
Total	\$7,000,000	\$3,400,000	\$5,750,000	\$2,650,000

The recommended appropriations for institutional initiatives of \$3,400,000 for FY 2000 and \$2,650,000 for FY 2001 included:

- Development of a center of excellence in fundamental plant science at \$2.0 million for each fiscal year;
- Extension 21 for building cooperative extension services for the 21st century at \$750,000 for FY 2000;
- Transformation of Teacher Preparation for Education at \$500,000 for both fiscal years; and
- Cooperative Veterinary Public Health at \$150,000 for both fiscal years.

President Jischke reminded the Board members that this was an appropriations request. University officials' request was quite consistent with the Iowa State University strategic plan which places a high priority on undergraduate education, graduate education, research and outreach. He said he was pleased that the Board Office supported the university's requests for learning communities and for technology. With regard to the \$5 million request for a plant sciences initiative, he said the recommendation of the Board Office was for \$2 million. He wished the recommendation had been more.

President Jischke stated that bioinformatics has the potential to have a dramatic impact on Iowa's crops industry. This past year the university received a \$200,000 appropriation for this effort. University officials added some reallocated funds. He said extension is a priority at Iowa State University. Extension 21 was an important effort in that regard.

President Jischke expressed concern about the Board Office recommendation particularly with regard to graduate education and research and the recommendations for tuition scholarships for graduate assistants. He said the graduate students are the future of higher education. They are the future scholars and future teachers. The university plays a pivotal role in preparing these faculty and researchers for the future. He said Iowa State University is not yet competitive in its offerings to graduate assistants. It would cost about \$4.4 million to move from one-half scholarships to full scholarships. The university's request was for a \$2.2 million increase each of the next 2 years. The Board Office recommended \$250,000 which would mean it would take 18 years to get to full scholarships. He urged the Board Office to reconsider the recommendation and to give the university an opportunity to make the case to the people of Iowa. He has had discussions with the Graduate Student Senate at Iowa State University. This was one area he recommended revisiting and changing the numbers.

Regent Fisher asked about reallocation of funds toward research and graduate education. President Jischke said it was through reallocation that the university has been able to achieve what it has. The total cost of full scholarships would be about \$9 million and the university has funded about one-half of that amount. It was his recollection that the university received a couple hundred thousand dollars two years ago for this purpose. He

said university officials really have to step up to the plate if the university is going to compete for the most talented young people. Private resources and reallocated funds have been used to enhance the university's ability to compete for graduate students. However, \$4.4 million is probably beyond their ability to reallocate.

ACTION: President Newlin stated the Board received the report on the FY 2000 and FY 2001 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 2000 and FY 2001 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 recommendation for FY 2000 and FY 2001 state appropriations for operations for the University of Northern Iowa were as follows:

	FY 2000		FY 2000	
	<u>Request</u>	<u>% Increase</u>	<u>Recommend.</u>	<u>% Increase</u>
University of Northern Iowa				
General University	\$89,592,782	8.1	\$85,518,799	3.2
Institute for Decision Making	784,091	10.6	709,091	0.0
Recycling and Reuse Center	244,025	0.0	244,025	0.0
Metal Casting Center	171,996	0.0	171,996	0.0
Total	\$90,792,894	8.1	\$86,643,911	3.1

	FY 2001		FY 2001	
	<u>Request</u>	<u>% Increase</u>	<u>Recommend.</u>	<u>% Increase</u>
University of Northern Iowa				
General University	\$94,667,782	5.7	\$88,372,465	3.3
Institute for Decision Making	784,091	0.0	709,091	0.0
Recycling and Reuse Center	244,025	0.0	244,025	0.0
Metal Casting Center	171,996	0.0	171,996	0.0
Community Recreation Program	0	0.0	150,000	0.0
Total	\$95,775,894	5.8	\$89,497,577	3.3

The recommended amounts are exclusive of funds for Regents salary increases, which will be determined after collective bargaining negotiations are completed for the FY 2000-2001 biennium.

Incremental appropriations for FY 2000 and FY 2001 as requested by the university and recommended by the Board Office were as follows:

	FY 2000		FY 2001	
	<u>Request</u>	<u>Recommend.</u>	<u>Request</u>	<u>Recommend.</u>
Salary Annualization	\$ 92,000	\$ 92,000	\$ 0	\$ 0
Inflation	774,570	563,817	784,690	563,666
Building Repairs	563,230	250,000	500,310	150,000
Opening New Buildings	140,000	140,000	140,000	140,000
Improving Undergraduate Education	1,500,000	500,000	1,000,000	500,000
Institutional Initiatives	<u>3,725,000</u>	<u>1,100,000</u>	<u>2,800,000</u>	<u>1,500,000</u>
	\$6,794,800	\$2,645,817	\$5,225,000	\$2,853,666

Salary annualization funding of \$92,000 for FY 2000 was recommended to pay merit salaries increments and benefits for which commitments have already been made. In accordance with the Department of Management guidelines for FY 2000, salary annualization will not be included in the general appropriation request. Salary annualization will become part of the salary adjustment funding along with the adjustments for the state salary policy.

Inflation funding for goods, services, and utilities was recommended at 2.0 percent for general expenses and utilities and 12 percent for libraries in FY 2000 and 10 percent in FY 2001.

Opening new building costs were based on a January 2000 anticipated opening date for the Performing Arts Center.

Additional building repair funding was recommended at \$250,000 for FY 2000 and \$150,000 for FY 2001.

Improving undergraduate education was recommended at \$500,000 for both FY 2000 and FY 2001.

The FY 2000 and FY 2001 recommendations assumed continuation of the following items at the current level of funding:

- The Institute for Decision Making which received \$709,091 of state appropriations for FY 1999.
- The Recycling and Reuse Center, funded at \$244,025 in FY 1999.
- The Metal Casting Center, which received state appropriation funding of \$171,996 in FY 1999.

	Institutional Initiatives			
	FY 2000		FY 2001	
	<u>Request</u>	<u>Recommend.</u>	<u>Request</u>	<u>Recommend.</u>
International Education and Work Experiences	\$ 400,000	\$ 150,000	\$ 300,000	\$ 100,000
Teacher Education for the 21 st Century	500,000	500,000	500,000	500,000
Masters in Social Work	600,000	0	0	150,000

Student Transition: Enhanced Learning	750,000	150,000	450,000	150,000
Expanded Outreach: ACCESS to Education	400,000	0	400,000	100,000
Preparing Students for Technical Demands	500,000	150,000	500,000	150,000
Administrative Financial Systems	500,000	150,000	0	250,000
Preparation of Special Education Teachers	0	0	250,000	100,000
Center for Conflict Analysis and Resolution	0	0	250,000	0
Institute for Decision Making	75,000	0		0
Community Recreation Program	<u>0</u>	<u>0</u>	<u>150,000</u>	<u>0</u>
Total	\$3,725,000	\$1,100,000	\$2,800,000	\$1,500,000

President Koob discussed the nature of the University of Northern Iowa's budget development for this year. He said the Regents asked university officials to have a strategic plan that included performance indicators and progress indicators. The strategic plan should drive the budget request. The appropriations request before the Regents was directly in context with the university's strategic plan.

University of Northern Iowa officials presented the budget request in two areas: 1) on-campus core mission and 2) areas in the state of Iowa that are changing and about which the university can make a difference. President Koob stated that the University of Northern Iowa's primary focus is undergraduate education. The general education program is the heart of what the university does. He proceeded to explain the purpose of the general education program at the University of Northern Iowa.

President Koob said there is a continuous need to upgrade the core curriculum of the university, to address international understanding and to upgrade students' technological experience. Last fall university officials performed a special study of retention on campus in an effort to increase retention for everyone on the campus. Retention-enhancing experiences are being developed.

With respect to changes in the state of Iowa, President Koob said university officials are focusing on people needs. A good teacher accounts for one-half of a student's success in school; the other one-half is the home life of the student. The state suggests extending education below kindergarten. He referred to the previously-approved University of Northern Iowa request for a Master's degree in social work and said it was a way of reaching out to that other one-half of the equation. There is a generally perceived need to provide more opportunities off-campus for the programs that are provided on campus. University officials were asking for funding to shift the balance more from on campus to off-campus outreach needs. President Koob said that is a policy decision about which university officials would like the Board's guidance.

President Koob stated that in September university officials would hope to see a little better distribution between on-campus requests and off-campus requests.

Regent Kelly asked for President Koob's feelings about preschool education. President Koob responded that the rate at which a human learns varies almost directly inversely with their age. A human learns things in the first two years that will set the pattern for the rest

of his/her life. He said most of the research shows that the youngster who has a pre-school socialization/education experience is more successful when the child goes off to school. Much of the learning and the ability to learn occurs in the first 5 years of life; most say it is in the first two years of life. Therefore, while university officials think that extending education down to the age of three years is a good idea, university officials believe that the true context for learning exists in the home. A way needs to be found to help those students better adapt themselves.

President Koob stated that in visiting with a local industry leader about the university's focus on children, the individual said he believed that parents need the emotional support that comes from focusing on the child. University officials believe that love of a child will open parents to services they would not normally use.

ACTION: President Newlin stated the Board received the report on the FY 2000 and FY 2001 general fund operating appropriation requests of the University of Northern Iowa and preliminary Board Office recommendations, by general consent.

(d) Iowa School for the Deaf. The Board Office recommended the Board receive the report on the FY 2000 and FY 2001 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 \$7,632,488 (+3.0 percent) for FY 2000 and \$7,848,824 (+2.8 percent) for FY 2001.

The recommended amounts were exclusive of funds for Regents salary increases; the salary increases in FY 2000 will be determined after collective bargaining negotiations are completed for the FY 2000-2001 biennium.

The Iowa School for the Deaf's request for state operating appropriations for FY 2000 was \$8,005,388 (+8.1 percent) and for FY 2001 was \$8,650,619 (+8.1 percent).

Incremental appropriations for FY 2000 and FY 2001 as requested by the school and recommended by the Board Office were as follows:

	<u>FY 2000 Request</u>	<u>FY 2000 Recommend.</u>	<u>FY 2001 Request</u>	<u>FY 2001 Recommend.</u>
Salary Annualization	\$ 10,327	\$ 10,327	\$ 0	\$ 0
Inflation	49,220	34,603	50,789	35,693
Building Repairs	63,423	35,000	65,326	35,000
Opening New Buildings	0	0	94,883	0
Institutional Initiatives	<u>474,466</u>	<u>144,606</u>	<u>434,233</u>	<u>145,643</u>
Total	<u>\$597,436</u>	<u>\$224,536</u>	<u>\$645,231</u>	<u>\$216,336</u>

Salary annualization funding of \$10,327 for FY 2000 was recommended to pay merit salaries increments and benefits for which commitments have already been made. In accordance with the Department of Management guidelines for FY 2000, salary annualization will not be included in the general appropriation request. Salary annualization will become part of the salary adjustment funding along with the adjustments for the state salary policy.

Inflation funding for goods and services was recommended at 2.0 percent for general expenses and utilities and 12.0 percent for libraries in FY 2000 and 10 percent in FY 2001.

The Board Office recommended retention of the FY 1999 \$60,000 one-time appropriation for the purchase of computerized equipment for the vocational education program.

	Institutional Initiatives			
	FY 2000		FY 2001	
	<u>Request</u>	<u>Recommend.</u>	<u>Request</u>	<u>Recommend.</u>
Math/Science Initiative	\$ 53,442	\$ 0	\$ 74,350	\$ 0
Vocational Education	79,000	35,000	90,643	90,643
Additional Faculty	109,606	109,606	55,000	55,000
School Improvement Specialist	57,240	0	0	0
Behavioral Disordered Consultant	175,178	0	154,240	0
Utilities	0	0	30,000	0
Library	0	0	30,000	0
	<u>\$474,466</u>	<u>\$144,606</u>	<u>\$434,233</u>	<u>\$145,643</u>

Superintendent Johnson stated that the school's request and the Board Office recommendation focused on facilities and equipment, maintaining and enhancing the quality of programs, and creative programming.

ACTION: President Newlin stated the Board received the report on the FY 2000 and FY 2001 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 2000 and FY 2001 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 2000 was \$4,283,679 (+3.1 percent) and for FY 2001 was \$4,401,966 (+2.8 percent).

The Iowa Braille and Sight Saving School's request for state operating appropriations for FY 2000 was \$4,364,460 (+5.0 percent) and for FY 2001 was \$4,588,803 (+5.1 percent).

Incremental appropriations for FY 2000 and FY 2001, as requested by the school and recommended by the Board Office, were as follows:

	FY 2000	FY 2000	FY 2001	FY 2001
	<u>Request</u>	<u>Recommend.</u>	<u>Request</u>	<u>Recommend.</u>
Salary Annualization	\$ 10,437	\$ 10,437	\$ 0	\$ 0
Inflation	26,421	17,827	27,156	18,287
Building Repairs	22,187	0	22,187	0
Institutional Initiatives	150,000	100,000	175,000	100,000
	<u>\$209,045</u>	<u>\$128,264</u>	<u>\$224,343</u>	<u>\$118,287</u>

Salary annualization funding of \$10,437 for FY 2000 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 2.0 percent for general expenses and utilities and 12 percent for libraries in FY 2000 and 10 percent in FY 2001.

	Institutional Initiatives			
	FY 2000		FY 2001	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Focusing Services	\$150,000	\$100,000	\$175,000	\$100,000

The Board Office recommended funding for the institutional initiative Focusing Services in the amount of \$100,000 in FY 2000 and \$100,000 in FY 2001.

Superintendent Thurman expressed appreciation for the recommendation of the Board Office for both FY 2000 and FY 2001. He said the appropriation request and Board Office recommendation indicates that the Iowa Braille and Sight Saving School is heading in a new direction. With regard to the school's initiatives, Superintendent Thurman said school officials are looking at a 9-month program on campus focused around student needs. School officials are also creating and offering alternative placement options including an expanded summer program. He noted that 70 students came to Iowa Braille and Sight Saving School this year for the summer program. Parents were pleased to hear that school officials want to offer an 8-week program next year. School officials will also offer parent and professional development programs.

Regent Kelly said he was very pleased with the school's initiatives and vision.

ACTION: President Newlin stated the Board received the report on the FY 2000 and FY 2001 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 2000 and FY 2001 State of Iowa operating appropriation requests and the Board Office preliminary recommendations.

Recommended State of Iowa appropriation amounts for FY 2000 and FY 2001 were as follows:

Center	FY 1999 Iowa Appropriation Base	FY 2000 Recommended Amount from State of Iowa	FY 2001 Recommended Amount from State of Iowa
Quad-Cities Graduate Study Center	\$167,086	\$168,280	\$169,497
Tri-State Graduate Study Center	\$ 81,716	\$ 82,319	\$ 82,934
Southwest Iowa Regents Resource Center	\$111,113	\$111,730	\$112,359

The recommendations included a 2 percent general inflationary cost increase based on the State of Iowa appropriated funds share of the centers' FY 1999 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 2000 and FY 2001:

Center	FY 1999 Iowa Appropriation Base	FY 2000 Requested Amount from State of Iowa	FY 2001 Requested Amount from State of Iowa
Quad-Cities Graduate Study Center	\$167,086	\$171,804	\$173,678
Tri-State Graduate Study Center	\$ 81,716	\$ 84,168	\$ 86,693
Southwest Iowa Regents Resource Center	\$111,113	\$140,583	\$142,428

Quad-Cities Graduate Study Center

The request of the Quad-Cities Graduate Study Center for FY 2000 included a 3 percent increase on the State of Iowa's share of the center's non-personnel costs and program enhancement funds as follows:

- Contractual Services - \$1,500 for the GradCenter Ambassadors Program and \$785 for postage, lease payments and library services.
- Printing and Promotion - \$432 for the preparation and mailing of class schedules and program of studies brochures.
- Telecommunications - \$270 for web services, telephone and fax.

Funds for the GradCenter Ambassadors program would be used to contract with individuals to visit each ICN classroom a minimum of three times; the ambassadors would complete a prepared checklist of services, distribute materials as needed, and forward in writing to the center any questions or comments expressed by the students in attendance.

The increased number of degrees offered by Iowa institutions has impacted the center's postage, printing and promotion costs.

Tri-State Graduate Study Center

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

Increased funding above a non-personnel general cost increase would be used in FY 2000 to upgrade existing Internet and e-mail service and enhance office computing capability.

Funding requested in FY 2001 would be used for instructional and computing equipment for a proposed Masters of Social Work degree in Sioux City.

Southwest Iowa Regents Resource Center

The FY 1999 budget of the Southwest Iowa Regents Resource Center (\$135,375) is funded by \$111,113 from the State of Iowa and \$24,262 from the State Extension and Continuing Education Council.

The request of the Southwest Iowa Regents Resource Center for FY 2000 of \$140,583 (exclusive of salary increase funds) would fund the entire budget from Iowa appropriations and increase the state appropriation from FY 1999 to FY 2000 by \$29,470 (26.5 percent).

Included were 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 2000 budget request of the Southwest Iowa Regents Resource Center also included additional funds for increased rental costs necessitated by the move into larger space.

The center's request for FY 2001 included increased funds for rent, equipment maintenance, a computer upgrade for the secretary, and additional funds for course delivery and other programs and services.

Further interinstitutional discussions regarding distance education will occur later this month; the budget requests of the center will be evaluated in detail after these discussions and prior to the September Board meeting when final budget recommendations are made.

ACTION: President Newlin stated the Board received the reports on the Regional Study Centers FY 2000 and FY 2001 State of Iowa operating appropriation requests and the Board Office

preliminary recommendations, by general consent.

(g) Board Office. The Board Office recommended the Board receive the preliminary budget request for the Board Office for fiscal years 2000 and 2001.

The proposed budget for fiscal year 2000 utilizes the base budget for fiscal year 1999 as adjusted by 3.0 percent, which reflected both inflation and demands in the office, especially for technology.

The proposed budget for fiscal year 2001 assumes the same level of activity and expenditures as fiscal year 2000 as adjusted by 3.0 percent.

The budgets for the Associate Director Business & Finance – Facilities; Associate Director, Information Systems; Assistant Director of Business and Finance; and Assistant Director, Legal Affairs, Human Resources and Information Systems are a part of the University of Iowa budget, financed jointly by the institutions and were also adjusted by 3.0 percent.

ACTION: President Newlin stated the Board received the preliminary budget request for the Board Office for fiscal years 2000 and 2001, by general consent.

CAPITAL IMPROVEMENT REQUESTS FOR FISCAL YEAR 2000 AND FISCAL YEAR 2001. The Board Office recommended the Board (1) receive reports on the FY 2000 and FY 2001 capital improvement requests of the Regent institutions and the Board Office preliminary recommendations of \$4,485,000 for FY 2000 and \$67,511,000 for FY 2001 and (2) receive preliminary tuition replacement appropriation requests of \$27,963,998 for FY 2000 and \$28,225,509 for FY 2001.

Consistent with the Board's strategic plan, each year the institutions request and the Board recommends capital funding from the state infrastructure fund for the next biennium. The universities have not requested capital funding for FY 2000 as per understandings reached during the 1997 legislative session. The special schools have requested capital funding for FY 2000 and the universities and special schools have requested funding for FY 2001. These requests total \$5.3 million for FY 2000 and \$95.4 million for FY 2001. The Board Office preliminary recommendations include funding of \$4.5 million in FY 2000 and \$67.5 million in FY 2001.

Projects recommended for funding in FY 2000 were as follows:

<u>Inst.</u>	<u>Project</u>	FY 2000 Recommended Funding <u>(\$ thousands)</u>
ISD	Recreation Complex	\$3,200
ISD	Utility System Replacement	400
ISD	Utility Tunnels Reconstruction	125
ISD	Administration Building – Main Entrance	<u>125</u>
	Total	\$3,850
IBSSS	HVAC Upgrade	\$ 500
IBSSS	Access for People with Disabilities	35
IBSSS	General Deferred Maintenance	<u>100</u>
	Total	\$ 635
	Grand Total	\$4,485

The following projects recommended for funding in FY 2001 are shown in priority order:

<u>Inst.</u>	<u>Project</u>	FY 2001 Recommended Funding* <u>(\$ thousands)</u>
UNI	Steam Distribution System Replacement, Phase 1	\$ 3,500
ISU	Gilman Hall Addition – Systems Upgrade	8,750
SUI	Biology Renovation / Addition, Phase 2	14,086
UNI	Biology Center Addition	10,000
ISU	Morrill Hall Deferred Maintenance & Remodel	7,800
Regents	Lakeside Laboratory Improvements	140
SUI	Art Building, Phase 1	8,700
UNI	East Gym Renovation	1,600
ISU	Livestock Units for Swine & Cattle Research	4,550
ISU	LeBaron Hall – Systems Upgrade	1,600
SUI	Steam Distribution Infrastructure	<u>1,000</u>
	Total Recommended Projects	\$61,726
	Fire Safety and Deferred Maintenance	\$ 5,785
	Total Recommendation	\$67,511

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

Projects recommended for FY 2001 and their priority order were consistent with the projects approved by the Board in September 1997 for FY 2001 funding with one exception. The University of Iowa did not request state funding for the renovation of the Chemistry Building Auditorium. University officials plan to fund this project with university funds as shown in the FY 1999 capital plan presented to the Board in June 1998.

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 \$27,963,998 for FY 2000 and \$28,225,509 for FY 2001.

Executive Director Stork stated there were no university capital requests for next fiscal year, pursuant to an agreement with the Governor and legislature. He noted that the agreement did not extend to the special schools. There was substantial funding

recommended for needs of the special schools, generally related to renovation and remodeling. He reviewed the Board Office preliminary recommendations with respect to FY 2001.

President Coleman asked to address both the University of Iowa's 2-year capital request and 5-year capital plan. She said the university's top priority for the year 2001 is the Biology project phase 2 which is a total renovation project. It included two pieces, one each in 2001 and 2002. The Art and Art History Building Phase 1 was the university's second priority. Students talk about the severe limitation in studio spaces in buildings. Studio space for art students is similar to laboratory space needed for researchers. University officials want to respond to increased student demand in the arts.

President Coleman provided some history about the third priority capital project of the University of Iowa which she said was a little complicated. The project was the Journalism Building. She said journalism faculty were asked to move out of their building while work was being done on the Engineering Building. At that time university officials realized it would not be worth the money to renovate the building for journalism. The program had outgrown the space. University officials wish to construct a new building for journalism which could also create much-needed classroom space in the core of the campus. With regard to the old Journalism Building (Communications Center), she said university officials are willing to renovate the building with university funds possibly for the College of Engineering. In order to accomplish that, since it would change the order of capital projects, university officials are willing to remove three renovation projects and put the new Journalism Building in their place. University officials believe that some of the remodeling projects can be done with university funds. President Coleman said university officials were eager to discuss these matters with Executive Director Stork and his staff to justify the university's need. She said university officials believe the substitution of the new Journalism Building for three remodeling projects will create a much better atmosphere for students and will better serve students.

In response to Regents' questions about the location of the new Journalism Building, President Coleman stated that the site would be west and north of the Communication Studies Building. She said it was a very nice building site.

Regent Kelly asked if a preliminary sketch could be done and sent to the Regents. President Coleman responded affirmatively, and said she would work with Executive Director Stork.

President Jischke said he was pleased with the recommendations of the Board Office for Iowa State University. He would like to have an opportunity to work with Executive Director Stork to make some adjustments within total dollars for the university, possibly to adjust the order of the priorities.

President Koob stated that University of Northern Iowa officials were pleased with the positioning of the facilities requested.

Superintendent Johnson said he was pleased with the recommendations of the Board Office for the Iowa School for the Deaf. School officials are moving along with what needs to be done with the Recreation Center.

Superintendent Thurman expressed pleasure for the Board Office recommendations for Iowa Braille and Sight Saving School especially regarding upgrading the HVAC system. Doing so will be important to the success of the summer school initiative.

ACTION: President Newlin stated the Board, by general consent, (1) received reports on the FY 2000 and FY 2001 capital improvement requests of the Regent institutions and the Board Office preliminary recommendations of \$4,485,000 for FY 2000 and \$67,511,000 for FY 2001 and (2) received preliminary tuition replacement appropriation requests of \$27,963,998 for FY 2000 and \$28,225,509 for FY 2001.

PRELIMINARY FIVE-YEAR CAPITAL IMPROVEMENT PLAN, FISCAL YEAR 2000 – FISCAL YEAR 2004. The Board Office recommended the Board (1) receive the Board Office preliminary recommendation of \$254,811,000 for the Five-Year Infrastructure Fund Capital Program for FY 2000 - FY 2004; (2) give preliminary approval of the Five-Year Program (FY 2000 – FY 2004) of \$63,505,000 for the University of Iowa Hospitals and Clinics to be funded by Hospitals Building Usage Funds; and (3) receive the report on all-funds FY 2000 – FY 2004 capital plans of \$307,196,000 for the universities and special schools.

The Board is required by statute to submit a five-year, state-funded building program to the General Assembly at the beginning of each legislative session. 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. Section 9.02 B2 of the Board of Regents Procedural Guide requires all-funds, five-year building programs to be presented to the Board in July. The programs include projects to be funded from all sources of funds.

The institutions submitted all-funds five-year capital plans (FY 2000 - FY 2004) totaling \$794,128,000. Of this amount, the universities and special schools requested funding from the state in the amount of \$422,427,000. The Board Office preliminary recommendation for the five-year capital priority plan to be funded by state infrastructure fund appropriations was \$254,811,000.

The institutional capital improvement requests for state funds and Board Office preliminary recommendations for FY 2000 - FY 2004 were as follows:

<u>Institution</u>	<u>Total Request (\$ thousands)</u>	<u>Total Recommendation (\$ thousands)</u>
SUI	\$152,091	\$ 93,251
ISU	141,750	90,400
UNI	117,600	64,900
ISD	9,495	4,885
IBSSS	1,351	1,235
Regents/Lakeside Lab	140	140
Total	\$422,427	\$254,811

The University of Iowa Hospitals and Clinics Five-Year Capital Program (FY 2000 – FY 2004) will be financed by self-generated funding. Projects totaling \$63,505,000 were included in the program; more than \$51 million of the projects were included in University of Iowa Hospitals and Clinics five-year capital programs previously submitted to the Board. Projects not listed previously include fire safety modifications and renovation projects, including roof replacements. All projects listed on the five-year plan will be brought forward for specific project approval by the Board, as required by Board procedures.

The institutional all-funds program to be financed from sources other than state appropriations or UIHC revenue totals \$307.2 million. While no new projects funded with state appropriations will begin at the universities in FY 2000, the institutions envision a major commitment of funds (approximately \$87.2 million) toward a number of new projects. The projects are subject to further review and availability of funding and specific project approval by the Board.

Executive Director Stork referred to the UIHC 5-year plan and noted that those projects would be funded from hospital usage funds and not from state appropriations.

ACTION: President Newlin stated the Board, by general consent, (1) received the Board Office preliminary recommendation of \$254,811,000 for the Five-Year Infrastructure Fund Capital Program for FY 2000 - FY 2004; (2) gave preliminary approval of the Five-Year Program (FY 2000 – FY 2004) of \$63,505,000 for the University of Iowa Hospitals and Clinics to be funded by Hospitals Building Usage Funds; and (3) received the report on all-funds FY 2000 – FY 2004 capital plans of \$307,196,000 for the universities and special schools.

INSTITUTIONAL ROADS PROGRAM. The Board Office recommended the Board (1) approve the recommended six-year institutional roads program for calendar years 1999 through 2004 totaling \$11,336,911, including projects totaling \$2,360,141 for 1999 and (2) receive the list of identified, unfunded institutional roads needs at the Regent institutions totaling \$25,312,259.

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 1999 allocation to the Board of Regents is \$2,710,141, of which \$350,000 is allocated for general maintenance, leaving \$2,360,141 for capital improvements, reconstruction and repairs.

The total 1999 allocation is \$837,140 higher than the allocation for calendar year 1998.

The increased allocation includes additional funds above the initial amounts allocated for 1996 and 1997.

The recommended institutional roads program for 1999 for capital projects totals \$2,360,141, as follows:

University of Iowa	\$ 936,085
Iowa State University	936,056
University of Northern Iowa	468,000
Iowa School for the Deaf	20,000
Iowa Braille and Sight Saving School	<u>0</u>
Total	\$ 2,360,141

The Regents six-year institutional roads program for 1999 through 2004 for capital projects totals \$11,336,911, as follows:

University of Iowa	\$ 4,434,970
Iowa State University	4,434,941
University of Northern Iowa	2,217,000
Iowa School for the Deaf	50,000
Iowa Braille and Sight Saving School	<u>200,000</u>
Total	\$ 11,336,911

The institutions have identified unmet institutional roads needs totaling \$25,312,259.

MOTION: Regent Fisher moved to (1) approve the recommended six-year institutional roads program for calendar years 1999 through 2004 totaling \$11,336,911, including projects totaling \$2,360,141 for 1999 and (2) receive the list of identified, unfunded institutional roads needs at the Regent institutions totaling \$25,312,259. Regent Kennedy seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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

Retirement of R. WAYNE RICHEY, Executive Director, effective June 30, 1998.

Appointment of FRANK J. STORK, Executive Director, effective July 1, 1998, at an annual salary of \$115,400 plus the usual fringe benefits.

ACTION: The personnel transactions were approved, as presented, on the consent docket.

REGENT COMMITTEE ASSIGNMENTS. The Board Office recommended the Board approve the following appointments to the Iowa Coordinating Council for Post-High School Education.

<u>Council Member</u>	<u>Term Expires</u>
Ellengray Kennedy	July 31, 2000
Nancy Pellett	July 31, 2000
David Fisher	July 31, 2000
Lisa Ahrens (Alternate to David Fisher)	July 31, 2000
Clarkson Kelly (Alternate to Nancy Pellett)	July 31, 2000
Roger Lande (Alternate to Ellengray Kennedy)	July 31, 2000

Regent Kennedy said it was her recollection that the Regents had previously agreed that any alternate can attend a Coordinating Council meeting and vote for any member. She asked if that was still the practice. Director Barak responded affirmatively.

MOTION: Regent Ahrens moved to approve the appointments to the Iowa Coordinating Council for Post-High School Education, as presented. Regent Kelly seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

APPROVAL OF VENDOR WITH A POTENTIAL CONFLICT OF INTEREST. The Board Office recommended the Board approve the request from the University of Northern Iowa to add Beverly Schomaker, Donald Briggs, and Michael White to the University of Northern Iowa list of approved vendors with a potential conflict of interest.

University of Northern Iowa officials wish to conduct business with Beverly Schomaker for artwork services; Donald Briggs for rock climbing shoes; and Michael White for assessment/diagnostic instruments. Beverly Schomaker is a clerk typist in the Communication Center at Price Lab School; Donald Briggs is an instructor in the Department of Health, Physical Education, and Leisure Services; and Michael White is a professor in the Department of Industrial Technology in the College of Natural Sciences at the University of Northern Iowa.

University officials have provided assurances that the employees will not participate in any evaluation or award decisions for purchases and will not influence departments in placing orders. Procedures in place at the university will be applied to these vendors ensuring adherence to the Regent conflict of interest policy.

ACTION: This matter was approved on the consent docket.

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

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	West Des Moines Marriott Hotel	West Des Moines
January 20, 1999	Telephonic Conference Call	
February 17-18, 1999	University of Iowa	Iowa City
March 17-18, 1999	Iowa State University	Ames
April 21, 1999	Iowa Braille and Sight Saving School	Vinton
April 22, 1999	University of Northern Iowa	Cedar Falls
May 19-20, 1999	Iowa School for the Deaf	Council Bluffs
June 16-17, 1999	University of Iowa	Iowa City
July 14-15, 1999	Iowa State University	Ames
September 15-16, 1999	University of Northern Iowa	Cedar Falls
October 20-21, 1999	University of Iowa	Iowa City
November 17-18, 1999	Iowa State University	Ames
December 15-16, 1999	(To be determined)	Des Moines
January 19, 2000	Telephonic Conference Call	
February 16-17, 2000	University of Iowa	Iowa City
March 15-16, 2000	University of Northern Iowa	Cedar Falls
April 19-20, 2000	Iowa School for the Deaf	Council Bluffs
May 17, 2000	Iowa Braille and Sight Saving School	Vinton
May 18, 2000	University of Northern Iowa	Cedar Falls
June 21-22, 2000	Iowa State University	Ames
July 19-20, 2000	University of Northern Iowa	Cedar Falls
September 13-14, 2000	University of Iowa	Iowa City
October 18-19, 2000	Iowa State University	Ames
November 15-16, 2000	University of Iowa	Iowa City
December 20-21, 2000	(To be determined)	Des Moines

ACTION: President Newlin stated the Board meetings schedule was approved, by general 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 14 and 15, 1998.

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

Register of Personnel Changes for May 1998.

ACTION: The personnel transactions were approved, as presented, on the consent docket.

PROPOSAL TO ESTABLISH A BACHELOR OF SCIENCE DEGREE IN APPLIED PHYSICS. The Board Office recommended the Board (1) refer the proposed new undergraduate program in Applied Physics to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation and (2) request that the Board Office and the Interinstitutional Committee give special consideration to the potential for unnecessary duplication with respect to this request. A part of this consideration should include efforts to develop cooperative efforts in this academic program area.

University of Iowa officials proposed a new undergraduate degree, a Bachelor of Science Degree in Applied Physics. The proposed program will allow students to complete a curriculum in physics that will prepare them to enter scientific and technical positions in industry after receiving their degree.

Similar programs exist, or are being developed, at the University of Northern Iowa, Iowa State University, and a number of private colleges and universities in Iowa.

University officials indicated that 20-40 students might be attracted to the degree. Some may be drawn from the existing BS or BA in Physics; the majority, however, are expected to be new students attracted specifically to this program.

The university will not allocate additional resources for the proposed degree. All of the courses needed for the degree are already in place and are being taught with existing resources.

ACTION: This matter was referred on the consent docket.

REVISIONS TO THE PROFESSIONAL AND SCIENTIFIC CLASSIFICATION SYSTEM. The Board Office recommended that the Board approve the proposed revisions to the professional and scientific classification system.

As part of its annual review, University of Iowa officials proposed a number of revisions to its professional and scientific classification system. These revisions include the addition of six

new classes, pay grade changes to eight classes, and the re-establishment of two classifications.

The pay grades for the new classifications and changes to existing classifications were established through application of the job evaluation instrument in compliance with the state's comparable worth law (Code of Iowa, Chapter 70A.18).

MOTION: Regent Fisher moved to approve the proposed revisions to the professional and scientific classification system. Regent Kennedy 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 University of Iowa be approved.

PERMISSION TO PROCEED WITH PROJECT PLANNING

Art Building—Phases I and II

University officials requested permission to proceed with planning and the architectural selection process for a project to construct a free-standing addition of approximately 70,000 to 80,000 square feet of space to the Art Building (Phase I) and to provide for the remodeling and renovation of the existing Art Building (Phase II).

The Preliminary Five-Year Capital Plan includes a total of \$18,050,000 for the project as requested by the university. This includes \$13,550,000 for construction of the addition and \$4,500,000 for the renovation work. University officials wish to proceed with project planning and the architectural selection process at this time to develop a conceptual plan in order to finalize the amount of funds needed for the project.

The University of Iowa School of Art and Art History has been a pacesetter since its founding six decades ago. The university was the first in the nation to embrace the concept that artists and art historians should work together in a liberal arts environment, learning from each other and passing their combined wisdom on to their students. In addition, the university was the first in the nation to advance the idea that creative work merits academic credit.

Today, the School of Art and Art History remains true to its tradition of excellence. In 1997 the university's art programs were ranked the sixth best in the nation and the second best among public colleges and universities by U.S. News & World Report. In addition, the school's printmaking program was ranked as first in the nation. The school's excellent reputation has fueled student interest in the art programs. Over the past ten years the number of students majoring in art and art history has grown 37 percent from 535 to 734.

One element of the university's art programs that has not kept pace with its overall standard of excellence is the school's physical facilities. The Art Building, which houses the School of Art and Art History, was constructed 60 years ago. Two wings were constructed in the late 1960s, one for printmaking and another shared by specialty programs in sculpture, ceramics, and metalsmithing. In the nearly 30 years since construction of the additions the facilities have fallen below the standards of other colleges and universities and do not provide space needed for student instruction.

The shortage of classroom and studio space has forced the school to scatter its faculty and students among a half dozen buildings across the campus, threatening the school's historic mission of keeping its artist teachers and historians in close proximity to each other and their students. This mission plays a significant role in attracting and retaining top faculty and students which makes the availability of contiguous space a critical issue for the school.

Preliminary plans for the building addition include spaces which will be designed to fit specific uses in order to accommodate a larger number of students and alleviate the serious space problems, and consolidate the programs of the school.

University Services Building

University officials requested permission to proceed with project planning and the architectural selection process for construction of a University Services Building to be located south of the campus. The building would be constructed to house the offices of the Human Resources Department and the Facilities Services Group and would consolidate the offices of each department. In addition, the project would release space on the central campus for academic or other program uses.

University officials began the evaluation of additional space for the departments by undertaking studies to determine the feasibility of renovating two buildings for new or expanded use. The first building project evaluated was the renovation of Eastlawn which is located on the south side of Iowa Avenue at the intersection with Gilbert Street. Eastlawn was constructed in 1915 as a dormitory for nursing students and currently houses the university Human Resources Department. The renovation of the building was evaluated for the continued and expanded use by the department (principally payroll and fringe benefits) following the recent relocation of the State Archaeologist from the building.

The second building project investigated was the reuse of the Laundry Building (which will be vacated this summer) to provide offices for the Facilities Services Group. The renovation of the building would permit some consolidation of the offices of the Facilities Services Group which are located in North Hall and in a number of scattered locations on campus. This would release 10,000 square feet of space in North Hall, which is located near the east campus dormitories, for academic or other program uses.

The results of the studies indicated that the costs to renovate Eastlawn and the Laundry Building to provide modern and efficient office environments for the departments would approach the cost of new construction. Alternatives regarding Eastlawn are being discussed. In addition, the Laundry Building is located in an area of campus which is slated to be cleared in the university's long-range plans for development of an academic/research facility, making it inappropriate for such a significant investment. These factors require that alternatives for housing the departments be developed.

In addition to the studies of Eastlawn and the Laundry Building, university officials have completed long-range planning, focusing on the campus area south of Burlington Street on the east side of the Iowa River. This study recommends consolidation of university support activities now scattered throughout the area into the south end of the site or to off-campus locations. This plan would increase the number of available future building sites for academic or research activities on the east side of the river. This study has been reviewed and approved by the University Campus Planning Committee and will be incorporated in the revised Campus Planning Framework which will be published this summer and presented this fall to the Board.

The study has designated the one and one-half block area between South Capitol Street, Prentiss Street, South Madison Street and the Interstate Railroad right-of-way as the location for the consolidation of university support facilities. The entire site is located within the campus boundaries and all but four properties on the site are owned by the university. Two of the properties are presently leased for university support functions.

University officials proposed to construct a commercial-type office building on the northeast corner of this area to house the Human Resources Department and the offices of the Facilities Services Group. The construction of the facility at this site will accommodate the future construction of additional administrative support offices and the relocation of the shops of the Facilities Services Group from campus sites designated to house future academic and research functions.

Preliminary analyses indicate that a building containing approximately 45,000 gross square feet of space would be adequate to house the two departments. In addition, the facility would provide space for dedicated training facilities for university faculty and staff. The proposed building would consist of two floors of office space. An option of a third shelled floor will be reviewed from a cost-benefit perspective. Construction of the two-floor building has an estimated cost of approximately \$5,000,000, exclusive of furnishings and equipment.

Proposed funding for the project would be provided by institutional income generated by the activities of the departments, Income from Treasurer's Temporary Investments, and other sources to be determined. No new state appropriations will be sought to construct or equip this service building.

University officials also requested permission to proceed with the architectural selection process for the project. In order to expedite the project design, they requested that the Executive Director be authorized to approve the negotiated agreement with the selected design firm. The agreement will be presented to the Board for ratification.

University Hospitals and Clinics—Pediatric Bone Marrow Transplant Unit Relocation

University officials requested permission to proceed with project planning and the architectural selection process for a project to develop approximately 6,000 square feet of space in the Colloton Pavilion to house the Pediatric Bone Marrow Transplant Unit. This project will allow the pediatric unit to relocate from its shared space with the Adult Bone Marrow Transplant Unit in the Carver Pavilion to space with the Department of Pediatrics' Division of Hematology/Oncology in the Colloton Pavilion. The project will remodel space on the third floor of the Colloton Pavilion which currently houses the Pediatric Inpatient Unit.

The University Hospitals Pediatric and Adult Bone Marrow Transplant Units are currently located on the seventh floor of the Carver Pavilion. The space houses 15 beds for the adult unit, five beds for the pediatric unit, and support facilities for patients, families and staff. Although the sharing of space in Carver Pavilion for these units has worked well since the bone marrow transplant programs were established in the late 1970s and early 1980s, university officials believe it is important to separate the pediatric and adult units for programmatic and operational reasons.

The Adult Bone Marrow Transplant Program requires additional beds in order to meet increasing demands for this service and to permit development of step-down, less acute beds for adult patients prior to discharge or for readmission for follow-up care. The lack of additional beds has prevented this program from expanding and has required some patients to be admitted or transferred to other inpatient units which is not optimal for patient care. The relocation of the Pediatric Bone Marrow Transplant Program would provide space in the Carver Pavilion for additional patient beds and much needed support space for the Adult Bone Marrow Transplant Unit.

The Pediatric Bone Marrow Transplant Program is a clinical service within the Department of Pediatrics' Division of Hematology/Oncology. With the exception of the Pediatric Bone Marrow Transplant Program, all pediatric hematology/oncology beds are currently located on the third floor of the Colloton Pavilion. The relocation of the Pediatric Bone Marrow Transplant Program inpatient facilities to the Colloton Pavilion and consolidation with its parent service will provide enhanced opportunities for physician and nurse staffing and operational efficiencies. In addition, this will allow use of the Bone Marrow Transplant Unit beds by other pediatric hematology/oncology patients when the bone marrow transplant census permits. The project is an essential component in the phased development of consolidated and coordinated programs, services and facilities for the Children's Hospital of Iowa.

The remodeling of space on the third floor of the Colloton Pavilion will include replacement of the existing heating, ventilating and air conditioning systems to accommodate the high volume, high efficiency particulate air filtration system required by this patient population. In addition, special equipment will be installed to more highly purify the inpatient unit water supply. These special air handling and water treatment systems are required to reduce the transplant patient's risk of infection since the patient's immune system is incapable of fighting infection while preparing for the bone marrow transplant. In addition, the unit will be renovated to bring its finishes up to contemporary standards and to provide the necessary patient, family and staff support facilities. The unit's life-safety systems will also be upgraded to current code requirements.

The estimated cost for the project is \$2,200,000. The project will be funded by University Hospitals Building Usage Funds.

PROJECT DESCRIPTIONS AND BUDGETS

Hardin Library for the Health Sciences—Expand Information Commons \$700,000

Preliminary Budget

Construction	\$ 567,500
Design, Inspection and Administration	
Design and Construction Services	58,800
Consultants	16,900
Contingency	<u>56,800</u>
 TOTAL	 <u>\$ 700,000</u>

Source of Funds:

Building Renewal or Income from	
Treasurer's Temporary Investments	\$ 350,000
College of Medicine Gifts and Earnings	<u>350,000</u>

TOTAL \$ 700,000

University officials requested approval of a project description and budget in the amount of \$700,000 to expand the Information Commons of the Hardin Library for the Health Sciences. The project will remodel approximately 5,550 square feet of space in the northwest wing of the second floor to expand the existing Information Commons area located in the northeast and center areas of this floor. The area to be remodeled is currently used as book stacking space which will be relocated within the library.

The Information Commons provides support space for students and faculty in the areas of computer operation and information retrieval and integrates these resources and skills into the educational process. The project will provide a state-of-the-art computer classroom area with 25 stations, a conference room, student computer room with 25 information stations, three offices, an information desk and waiting area.

The project will include demolition, construction of new walls and ceilings, and installation of furnishings, lighting and carpeting. The furnishings to be installed will include fixed stations and casework in the classroom, and a custom service counter which will be bid as an alternate to the construction contract. Mechanical work will include extensive modifications to the heating, ventilating and air conditioning and electrical systems. The project budget does not include movable equipment, compact shelving, computers, electronic sound equipment, and relocation costs.

University Hospitals and Clinics--Development of Computed \$637,500
Tomography Service and Associated Support Units in Emergency
Treatment and Level I Trauma Center

Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 510,000
Architectural/Engineering Support	51,000
Planning and Supervision	25,500
Contingency	<u>51,000</u>

TOTAL

\$ 637,500

University officials requested approval of a project description and budget in the amount of \$637,500 to renovate space on the first floor of the Carver Pavilion for installation of a computed tomography scanner to serve the University Hospitals Emergency Treatment and Level I Trauma Center. The installation of the scanner in this area will eliminate the need to transport critically ill or injured patients to the third floor Colloton Pavilion computed tomography imaging suite for diagnostic services. This project is critical to the commitment that University Hospitals has made to secure its designation as a Level I Trauma Center.

The project will include renovation of approximately 3,600 gross square feet of space to accommodate the scanner and development of patient preparation and waiting facilities and staff support facilities.

Macbride Hall—Correct Fire Safety Deficiencies--
Install Sprinkler System—Third Floor

April 1998 Budget \$233,000

May 1998 Budget \$272,000

Source of Funds: Building Renewal or Income from
Treasurer's Temporary Investments

Project Budget

	Initial Budget <u>April 1998</u>	Revised Budget <u>May 1998</u>
Construction	\$ 181,000	\$ 220,000
Design, Inspection and Administration		
Consultants	25,000	25,000
Design/Construction Services	9,000	9,000
Contingencies	<u>18,000</u>	<u>18,000</u>
 TOTAL	 <u>\$ 233,000</u>	 <u>\$ 272,000</u>

In April 1998 the university approved a project description and budget in the amount of \$233,000 to install a fire sprinkler system on the third floor of Macbride Hall. On May 22, 1998, the university received Executive Director approval of a revised project budget in the amount of \$272,000, an increase of \$39,000, to allow award of the construction contract.

One bid was received for the above-referenced project on May 13, 1998. The single bid in the amount of \$219,071 was approximately 21.7 percent above the engineering estimate. University officials attributed the receipt of a single bid above the engineering estimate to the busy Iowa City construction market, and therefore re-bidding the project was not likely to result in the receipt of more favorable bids. In addition, the project scope was increased to include an upgrade of the catwalks to be installed in the attic.

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University officials presented eight 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

Hillcrest Residence Hall—Remodel Food Service Area \$706,000
Rohrbach Carlson, Iowa City, Iowa

University officials presented the negotiated agreement for Board approval. The agreement will provide design services for expansion of the dining and food preparation areas, installation of new mechanical, electrical, plumbing and fire protection systems for the dining area, and renovation of the main, west and ground level entries to the facility. The agreement will provide full design services through construction documents and will include the services of a food service systems analyst and kitchen and mechanical design consultants. The agreement provides for a fixed fee of \$706,000, which includes \$70,000 for reimbursables.

University Hospitals and Clinics—Development of Computed Tomography Service and Associated Support Units in Emergency Treatment and Level I Trauma Center \$58,650
Design Professionals Collaborative, Cedar Rapids, Iowa

University officials requested approval to enter into an agreement with Design Professionals Collaborative to provide design services for the project. The agreement provides for a fee of \$58,650, which includes basic services at a fixed fee of \$51,000 and reimbursable expenses not to exceed \$7,650.

Campus Fiber Optic Network—Project 15, Consolidated with Components of Projects 5, 10 and 12 \$215,517
MIS Labs, Watertown, WI

University officials requested approval to enter into an agreement with MIS Labs to provide design, inspection and administration services for Project 15 and the final components of Projects 5, 10 and 12. These remaining components represent the final work to complete the overall Campus Fiber Optic Network project.

The agreement provides for a fee of \$215,517 which includes \$174,785 for professional services and \$40,732 for reimbursables.

Amendments:

Medical Education and Biomedical Research Facility Amendment #3 \$384,800
Payette Associates, Boston, MA/Baldwin White Architects, Des Moines, IA

University officials requested approval of Amendment #3 to the agreement in the amount of \$384,800 which will provide specialized design services for selected facility components. Amendment #3 will include the analysis and design of telecommunications, audio-visual and lighting systems. In addition, the amendment will provide vibration and acoustical analysis for sensitive building areas and additional building code review.

Amendment #3 will not result in an increase in the total project budget.

Northwest Campus Chilled Water Plant Amendment #1 \$62,419
Burns and McDonnell Engineers, Kansas City, MO

University officials requested approval of Amendment #1 in the amount of \$62,419 to the agreement with Burns and McDonnell. The amendment will provide compensation for additional services associated with the evaluation of the future expansion of the chilled water plant by an additional 5,000 tons. These services provide detailed evaluation of several components including the cooling tower and chiller configuration, pipe sizing and layout, and overall integration with the Newton Road Parking Facility.

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

Levitt Center for University Advancement
Brooks Borg and Skiles, Des Moines, IA

Amendment #4 \$61,030

University officials requested approval of Amendment #4 in the amount of \$61,030 to the agreement. The amendment will provide compensation for specialized services for interior lighting and increases in reimbursable expenses for additional printing, travel and administrative expenses.

Amendment #4 will not result in an increase in the total project budget.

Museum of Art Remodeling
Herbert Lewis Kruse Blunck, Des Moines, IA

Amendment #1 \$60,000

University officials requested approval of Amendment #1 in the amount of \$60,000 to the agreement. The amendment will provide compensation for additional conceptual planning services and development of fund raising graphics.

Health Sciences Campus—Westlawn Renovation and Expansion—Student Health Service Relocation and College of Medicine Programs
Baldwin White Architects, Des Moines, IA

Amendment #2 \$26,300

University officials requested approval of Amendment #2 to the agreement in the amount of \$26,300. The amendment will provide compensation for design services for the remodeling of an additional 600 square feet of space on the third floor of the building for use by the College of Medicine. The additional remodeling will convert three existing offices to a classroom and restroom. In addition, the design services will provide for the relocation of the utility entrance for steam service, an additional elevator stop at the north elevator, and an additional lobby for use as a future Westlawn tunnel entrance.

Amendment #2 will not result in an increase in the total project budget.

Health Sciences Campus—Newton Road Relocation
Shive-Hattery, Iowa City, IA

Amendment #1 \$23,452

University officials requested approval of Amendment #1 to the agreement in the amount of \$23,452. The amendment will provide compensation for additional design services to relocate underground utilities in the proposed bus drop area east of the Steindler Building, and to develop staging plans for accelerating the schedule for construction of the Newton Road Parking Facility.

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

CONSTRUCTION CONTRACTS

Mayflower Residence Hall—Upgrade Fire Protection \$2,259,392.00
Award to: McComas-Lacina Construction Company, Inc., Iowa City, Iowa
(2 bids received)

Health Sciences Campus—Raze Steindler Building—Phase 1 \$698,500.00
Award to: McComas-Lacina Construction Company, Iowa City, Iowa
(2 bids received)

Hawkeye Storage Parking Lot Expansion \$524,755.10
Award to: L. L. Pelling Company, Inc., North Liberty, Iowa
(2 bids received)

Bowen Science Building—Remodel Portion of Core 6-400, Physiology Package 4 \$442,515.00
Award to: Hinman Contractor and Builder, Muscatine, Iowa
(5 bids received)

Bowen Science Building—Remodel Portion of Core 2-200, \$422,000.00

Pharmacology Package 4

Award to: O. F. Paulson Construction Company, Cedar Rapids, Iowa
(5 bids received)

Halsey Hall—Convert Pool to Fitness Center

\$305,600.00

Award to: Apex Construction Company, Iowa City, Iowa
(3 bids received)

Macbride Hall—Install Sprinkler System—Third Floor

\$219,071.00

Award to: Aanestad Construction, Iowa City, Iowa
(1 bid received)

Utilities—East Campus Steam Line Cross Connection and Iowa Memorial Union—Exterior
Repairs

Reject Bids

Two bids were received for this contract on April 16, 1998. The low bid in the amount of \$589,300 exceeded the engineering estimate by approximately 17.6 percent. In addition, both bids exceeded the construction budget and the higher bid exceeded the total project budget. The Executive Director authorized the university to reject all bids, reevaluate the project scope and re-bid the project at a future date. University officials believe that re-bidding the contract in the late summer or early fall will likely result in the receipt of more favorable bids. In addition, university officials plan to expand the scope of the utilities portion of the contract to include work on a steam line serving Halsey Gym.

Hawkeye Softball Complex—Construct Stadium

Reject Bid

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The university will not allocate additional resources for the proposed degree. All of the courses needed for the degree are already in place and are being taught with existing resources.

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REVISIONS TO THE PROFESSIONAL AND SCIENTIFIC CLASSIFICATION SYSTEM.

The Board Office recommended that the Board approve the proposed revisions to the professional and scientific classification system.

As part of its annual review, University of Iowa officials proposed a number of revisions to its professional and scientific classification system. These revisions include the addition of six new classes, pay grade changes to eight classes, and the re-establishment of two classifications.

The pay grades for the new classifications and changes to existing classifications were established through application of the job evaluation instrument in compliance with the state's comparable worth law (Code of Iowa, Chapter 70A.18).

MOTION: Regent Fisher moved to approve the proposed revisions to the professional and scientific classification system. Regent Kennedy seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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PERMISSION TO PROCEED WITH PROJECT PLANNING

Art Building—Phases I and II

University officials requested permission to proceed with planning and the architectural selection process for a project to construct a free-standing addition of approximately 70,000 to 80,000 square feet of space to the Art Building (Phase I) and to provide for the remodeling and renovation of the existing Art Building (Phase II).

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University officials began the evaluation of additional space for the departments by undertaking studies to determine the feasibility of renovating two buildings for new or expanded use. The first building project evaluated was the renovation of Eastlawn which is located on the south side of Iowa Avenue at the intersection with Gilbert Street. Eastlawn was constructed in 1915 as a dormitory for nursing students and currently houses the university Human Resources Department. The renovation of the building was evaluated for the continued and expanded use by the department (principally payroll and fringe benefits) following the recent relocation of the State Archaeologist from the building.

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The results of the studies indicated that the costs to renovate Eastlawn and the Laundry Building to provide modern and efficient office environments for the departments would approach the cost of new construction. Alternatives regarding Eastlawn are being discussed. In addition, the Laundry Building is located in an area of campus which is slated to be cleared in the university's long-range plans for development of an academic/research facility, making it inappropriate for such a significant investment. These factors require that alternatives for housing the departments be developed.

In addition to the studies of Eastlawn and the Laundry Building, university officials have completed long-range planning, focusing on the campus area south of Burlington Street on the east side of the Iowa River. This study recommends consolidation of university support activities now scattered throughout the area into the south end of the site or to off-campus locations. This plan would increase the number of available future building sites for academic or research activities on the east side of the river. This study has been reviewed and approved by the University Campus Planning Committee and will be incorporated in the revised Campus Planning Framework which will be published this summer and presented this fall to the Board.

The study has designated the one and one-half block area between South Capitol Street, Prentiss Street, South Madison Street and the Interstate Railroad right-of-way as the location for the consolidation of university support facilities. The entire site is located within the campus boundaries and all but four properties on the site are owned by the university. Two of the properties are presently leased for university support functions.

University officials proposed to construct a commercial-type office building on the northeast corner of this area to house the Human Resources Department and the offices of the Facilities Services Group. The construction of the facility at this site will accommodate the future construction of additional administrative support offices and the relocation of the shops of the Facilities Services Group from campus sites designated to house future academic and research functions.

Preliminary analyses indicate that a building containing approximately 45,000 gross square feet of space would be adequate to house the two departments. In addition, the facility would provide space for dedicated training facilities for university faculty and staff. The proposed building would consist of two floors of office space. An option of a third shelled floor will be reviewed from a cost-benefit perspective. Construction of the two-floor building has an estimated cost of approximately \$5,000,000, exclusive of furnishings and equipment.

Proposed funding for the project would be provided by institutional income generated by the activities of the departments, Income from Treasurer's Temporary Investments, and other sources to be determined. No new state appropriations will be sought to construct or equip this service building.

University officials also requested permission to proceed with the architectural selection process for the project. In order to expedite the project design, they requested that the Executive Director be authorized to approve the negotiated agreement with the selected design firm. The agreement will be presented to the Board for ratification.

University Hospitals and Clinics—Pediatric Bone Marrow Transplant Unit Relocation

University officials requested permission to proceed with project planning and the architectural selection process for a project to develop approximately 6,000 square feet of space in the Colloton Pavilion to house the Pediatric Bone Marrow Transplant Unit. This project will allow the pediatric unit to relocate from its shared space with the Adult Bone Marrow Transplant Unit in the Carver Pavilion to space with the Department of Pediatrics' Division of Hematology/Oncology in the Colloton Pavilion. The project will remodel space on the third floor of the Colloton Pavilion which currently houses the Pediatric Inpatient Unit.

The University Hospitals Pediatric and Adult Bone Marrow Transplant Units are currently located on the seventh floor of the Carver Pavilion. The space houses 15 beds for the adult unit, five beds for the pediatric unit, and support facilities for patients, families and staff. Although the sharing of space in Carver Pavilion for these units has worked well since the bone marrow transplant programs were established in the late 1970s and early 1980s, university officials believe it is important to separate the pediatric and adult units for programmatic and operational reasons.

The Adult Bone Marrow Transplant Program requires additional beds in order to meet increasing demands for this service and to permit development of step-down, less acute beds for adult patients prior to discharge or for readmission for follow-up care. The lack of additional beds has prevented this program from expanding and has required some patients to be admitted or transferred to other inpatient units which is not optimal for patient care. The relocation of the Pediatric Bone Marrow Transplant Program would provide space in the Carver Pavilion for additional patient beds and much needed support space for the Adult Bone Marrow Transplant Unit.

The Pediatric Bone Marrow Transplant Program is a clinical service within the Department of Pediatrics' Division of Hematology/Oncology. With the exception of the Pediatric Bone Marrow Transplant Program, all pediatric hematology/oncology beds are currently located on the third floor of the Colloton Pavilion. The relocation of the Pediatric Bone Marrow Transplant Program inpatient facilities to the Colloton Pavilion and consolidation with its parent service will provide enhanced opportunities for physician and nurse staffing and operational efficiencies. In addition, this will allow use of the Bone Marrow Transplant Unit beds by other pediatric hematology/oncology patients when the bone marrow transplant census permits. The project is an essential component in the phased development of consolidated and coordinated programs, services and facilities for the Children's Hospital of Iowa.

The remodeling of space on the third floor of the Colloton Pavilion will include replacement of the existing heating, ventilating and air conditioning systems to accommodate the high volume, high efficiency particulate air filtration system required by this patient population. In addition, special equipment will be installed to more highly purify the inpatient unit water supply. These special air handling and water treatment systems are required to reduce the transplant patient's risk of infection since the patient's immune system is incapable of fighting infection while preparing for the bone marrow transplant. In addition, the unit will be renovated to bring its finishes up to contemporary standards and to provide the necessary patient, family and staff support facilities. The unit's life-safety systems will also be upgraded to current code requirements.

The estimated cost for the project is \$2,200,000. The project will be funded by University Hospitals Building Usage Funds.

PROJECT DESCRIPTIONS AND BUDGETS

Hardin Library for the Health Sciences—Expand Information Commons \$700,000

Preliminary Budget

Construction	\$ 567,500
Design, Inspection and Administration	
Design and Construction Services	58,800
Consultants	16,900
Contingency	<u>56,800</u>
 TOTAL	 <u>\$ 700,000</u>

Source of Funds:

Building Renewal or Income from	
Treasurer's Temporary Investments	\$ 350,000
College of Medicine Gifts and Earnings	<u>350,000</u>

TOTAL \$ 700,000

University officials requested approval of a project description and budget in the amount of \$700,000 to expand the Information Commons of the Hardin Library for the Health Sciences. The project will remodel approximately 5,550 square feet of space in the northwest wing of the second floor to expand the existing Information Commons area located in the northeast and center areas of this floor. The area to be remodeled is currently used as book stacking space which will be relocated within the library.

The Information Commons provides support space for students and faculty in the areas of computer operation and information retrieval and integrates these resources and skills into the educational process. The project will provide a state-of-the-art computer classroom area with 25 stations, a conference room, student computer room with 25 information stations, three offices, an information desk and waiting area.

The project will include demolition, construction of new walls and ceilings, and installation of furnishings, lighting and carpeting. The furnishings to be installed will include fixed stations and casework in the classroom, and a custom service counter which will be bid as an alternate to the construction contract. Mechanical work will include extensive modifications to the heating, ventilating and air conditioning and electrical systems. The project budget does not include movable equipment, compact shelving, computers, electronic sound equipment, and relocation costs.

University Hospitals and Clinics--Development of Computed \$637,500
Tomography Service and Associated Support Units in Emergency
Treatment and Level I Trauma Center

Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 510,000
Architectural/Engineering Support	51,000
Planning and Supervision	25,500
Contingency	<u>51,000</u>

TOTAL

\$ 637,500

University officials requested approval of a project description and budget in the amount of \$637,500 to renovate space on the first floor of the Carver Pavilion for installation of a computed tomography scanner to serve the University Hospitals Emergency Treatment and Level I Trauma Center. The installation of the scanner in this area will eliminate the need to transport critically ill or injured patients to the third floor Colloton Pavilion computed tomography imaging suite for diagnostic services. This project is critical to the commitment that University Hospitals has made to secure its designation as a Level I Trauma Center.

The project will include renovation of approximately 3,600 gross square feet of space to accommodate the scanner and development of patient preparation and waiting facilities and staff support facilities.

Macbride Hall—Correct Fire Safety Deficiencies--
Install Sprinkler System—Third Floor

April 1998 Budget \$233,000

May 1998 Budget \$272,000

Source of Funds: Building Renewal or Income from
Treasurer's Temporary Investments

Project Budget

	Initial Budget <u>April 1998</u>	Revised Budget <u>May 1998</u>
Construction	\$ 181,000	\$ 220,000
Design, Inspection and Administration		
Consultants	25,000	25,000
Design/Construction Services	9,000	9,000
Contingencies	<u>18,000</u>	<u>18,000</u>
 TOTAL	 <u>\$ 233,000</u>	 <u>\$ 272,000</u>

In April 1998 the university approved a project description and budget in the amount of \$233,000 to install a fire sprinkler system on the third floor of Macbride Hall. On May 22, 1998, the university received Executive Director approval of a revised project budget in the amount of \$272,000, an increase of \$39,000, to allow award of the construction contract.

One bid was received for the above-referenced project on May 13, 1998. The single bid in the amount of \$219,071 was approximately 21.7 percent above the engineering estimate. University officials attributed the receipt of a single bid above the engineering estimate to the busy Iowa City construction market, and therefore re-bidding the project was not likely to result in the receipt of more favorable bids. In addition, the project scope was increased to include an upgrade of the catwalks to be installed in the attic.

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University officials presented eight 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

Hillcrest Residence Hall—Remodel Food Service Area \$706,000
Rohrbach Carlson, Iowa City, Iowa

University officials presented the negotiated agreement for Board approval. The agreement will provide design services for expansion of the dining and food preparation areas, installation of new mechanical, electrical, plumbing and fire protection systems for the dining area, and renovation of the main, west and ground level entries to the facility. The agreement will provide full design services through construction documents and will include the services of a food service systems analyst and kitchen and mechanical design consultants. The agreement provides for a fixed fee of \$706,000, which includes \$70,000 for reimbursables.

University Hospitals and Clinics—Development of Computed Tomography Service and Associated Support Units in Emergency Treatment and Level I Trauma Center \$58,650
Design Professionals Collaborative, Cedar Rapids, Iowa

University officials requested approval to enter into an agreement with Design Professionals Collaborative to provide design services for the project. The agreement provides for a fee of \$58,650, which includes basic services at a fixed fee of \$51,000 and reimbursable expenses not to exceed \$7,650.

Campus Fiber Optic Network—Project 15, Consolidated with Components of Projects 5, 10 and 12 \$215,517
MIS Labs, Watertown, WI

University officials requested approval to enter into an agreement with MIS Labs to provide design, inspection and administration services for Project 15 and the final components of Projects 5, 10 and 12. These remaining components represent the final work to complete the overall Campus Fiber Optic Network project.

The agreement provides for a fee of \$215,517 which includes \$174,785 for professional services and \$40,732 for reimbursables.

Amendments:

Medical Education and Biomedical Research Facility Amendment #3 \$384,800
Payette Associates, Boston, MA/Baldwin White Architects, Des Moines, IA

University officials requested approval of Amendment #3 to the agreement in the amount of \$384,800 which will provide specialized design services for selected facility components. Amendment #3 will include the analysis and design of telecommunications, audio-visual and lighting systems. In addition, the amendment will provide vibration and acoustical analysis for sensitive building areas and additional building code review.

Amendment #3 will not result in an increase in the total project budget.

Northwest Campus Chilled Water Plant Amendment #1 \$62,419
Burns and McDonnell Engineers, Kansas City, MO

University officials requested approval of Amendment #1 in the amount of \$62,419 to the agreement with Burns and McDonnell. The amendment will provide compensation for additional services associated with the evaluation of the future expansion of the chilled water plant by an additional 5,000 tons. These services provide detailed evaluation of several components including the cooling tower and chiller configuration, pipe sizing and layout, and overall integration with the Newton Road Parking Facility.

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

Levitt Center for University Advancement
Brooks Borg and Skiles, Des Moines, IA

Amendment #4 \$61,030

University officials requested approval of Amendment #4 in the amount of \$61,030 to the agreement. The amendment will provide compensation for specialized services for interior lighting and increases in reimbursable expenses for additional printing, travel and administrative expenses.

Amendment #4 will not result in an increase in the total project budget.

Museum of Art Remodeling
Herbert Lewis Kruse Blunck, Des Moines, IA

Amendment #1 \$60,000

University officials requested approval of Amendment #1 in the amount of \$60,000 to the agreement. The amendment will provide compensation for additional conceptual planning services and development of fund raising graphics.

Health Sciences Campus—Westlawn Renovation and Expansion—Student Health Service Relocation and College of Medicine Programs
Baldwin White Architects, Des Moines, IA

Amendment #2 \$26,300

University officials requested approval of Amendment #2 to the agreement in the amount of \$26,300. The amendment will provide compensation for design services for the remodeling of an additional 600 square feet of space on the third floor of the building for use by the College of Medicine. The additional remodeling will convert three existing offices to a classroom and restroom. In addition, the design services will provide for the relocation of the utility entrance for steam service, an additional elevator stop at the north elevator, and an additional lobby for use as a future Westlawn tunnel entrance.

Amendment #2 will not result in an increase in the total project budget.

Health Sciences Campus—Newton Road Relocation
Shive-Hattery, Iowa City, IA

Amendment #1 \$23,452

University officials requested approval of Amendment #1 to the agreement in the amount of \$23,452. The amendment will provide compensation for additional design services to relocate underground utilities in the proposed bus drop area east of the Steindler Building, and to develop staging plans for accelerating the schedule for construction of the Newton Road Parking Facility.

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

CONSTRUCTION CONTRACTS

Mayflower Residence Hall—Upgrade Fire Protection \$2,259,392.00
Award to: McComas-Lacina Construction Company, Inc., Iowa City, Iowa
(2 bids received)

Health Sciences Campus—Raze Steindler Building—Phase 1 \$698,500.00
Award to: McComas-Lacina Construction Company, Iowa City, Iowa
(2 bids received)

Hawkeye Storage Parking Lot Expansion \$524,755.10
Award to: L. L. Pelling Company, Inc., North Liberty, Iowa
(2 bids received)

Bowen Science Building—Remodel Portion of Core 6-400, Physiology Package 4 \$442,515.00
Award to: Hinman Contractor and Builder, Muscatine, Iowa
(5 bids received)

Bowen Science Building—Remodel Portion of Core 2-200, \$422,000.00

Pharmacology Package 4

Award to: O. F. Paulson Construction Company, Cedar Rapids, Iowa
(5 bids received)

Halsey Hall—Convert Pool to Fitness Center

\$305,600.00

Award to: Apex Construction Company, Iowa City, Iowa
(3 bids received)

Macbride Hall—Install Sprinkler System—Third Floor

\$219,071.00

Award to: Aanestad Construction, Iowa City, Iowa
(1 bid received)

Utilities—East Campus Steam Line Cross Connection and Iowa Memorial Union—Exterior
Repairs

Reject Bids

Two bids were received for this contract on April 16, 1998. The low bid in the amount of \$589,300 exceeded the engineering estimate by approximately 17.6 percent. In addition, both bids exceeded the construction budget and the higher bid exceeded the total project budget. The Executive Director authorized the university to reject all bids, reevaluate the project scope and re-bid the project at a future date. University officials believe that re-bidding the contract in the late summer or early fall will likely result in the receipt of more favorable bids. In addition, university officials plan to expand the scope of the utilities portion of the contract to include work on a steam line serving Halsey Gym.

Hawkeye Softball Complex—Construct Stadium

Reject Bid

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In addition to the studies of Eastlawn and the Laundry Building, university officials have completed long-range planning, focusing on the campus area south of Burlington Street on the east side of the Iowa River. This study recommends consolidation of university support activities now scattered throughout the area into the south end of the site or to off-campus locations. This plan would increase the number of available future building sites for academic or research activities on the east side of the river. This study has been reviewed and approved by the University Campus Planning Committee and will be incorporated in the revised Campus Planning Framework which will be published this summer and presented this fall to the Board.

The study has designated the one and one-half block area between South Capitol Street, Prentiss Street, South Madison Street and the Interstate Railroad right-of-way as the location for the consolidation of university support facilities. The entire site is located within the campus boundaries and all but four properties on the site are owned by the university. Two of the properties are presently leased for university support functions.

University officials proposed to construct a commercial-type office building on the northeast corner of this area to house the Human Resources Department and the offices of the Facilities Services Group. The construction of the facility at this site will accommodate the future construction of additional administrative support offices and the relocation of the shops of the Facilities Services Group from campus sites designated to house future academic and research functions.

Preliminary analyses indicate that a building containing approximately 45,000 gross square feet of space would be adequate to house the two departments. In addition, the facility would provide space for dedicated training facilities for university faculty and staff. The proposed building would consist of two floors of office space. An option of a third shelled floor will be reviewed from a cost-benefit perspective. Construction of the two-floor building has an estimated cost of approximately \$5,000,000, exclusive of furnishings and equipment.

Proposed funding for the project would be provided by institutional income generated by the activities of the departments, Income from Treasurer's Temporary Investments, and other sources to be determined. No new state appropriations will be sought to construct or equip this service building.

University officials also requested permission to proceed with the architectural selection process for the project. In order to expedite the project design, they requested that the Executive Director be authorized to approve the negotiated agreement with the selected design firm. The agreement will be presented to the Board for ratification.

University Hospitals and Clinics—Pediatric Bone Marrow Transplant Unit Relocation

University officials requested permission to proceed with project planning and the architectural selection process for a project to develop approximately 6,000 square feet of space in the Colloton Pavilion to house the Pediatric Bone Marrow Transplant Unit. This project will allow the pediatric unit to relocate from its shared space with the Adult Bone Marrow Transplant Unit in the Carver Pavilion to space with the Department of Pediatrics' Division of Hematology/Oncology in the Colloton Pavilion. The project will remodel space on the third floor of the Colloton Pavilion which currently houses the Pediatric Inpatient Unit.

The University Hospitals Pediatric and Adult Bone Marrow Transplant Units are currently located on the seventh floor of the Carver Pavilion. The space houses 15 beds for the adult unit, five beds for the pediatric unit, and support facilities for patients, families and staff. Although the sharing of space in Carver Pavilion for these units has worked well since the bone marrow transplant programs were established in the late 1970s and early 1980s, university officials believe it is important to separate the pediatric and adult units for programmatic and operational reasons.

The Adult Bone Marrow Transplant Program requires additional beds in order to meet increasing demands for this service and to permit development of step-down, less acute beds for adult patients prior to discharge or for readmission for follow-up care. The lack of additional beds has prevented this program from expanding and has required some patients to be admitted or transferred to other inpatient units which is not optimal for patient care. The relocation of the Pediatric Bone Marrow Transplant Program would provide space in the Carver Pavilion for additional patient beds and much needed support space for the Adult Bone Marrow Transplant Unit.

The Pediatric Bone Marrow Transplant Program is a clinical service within the Department of Pediatrics' Division of Hematology/Oncology. With the exception of the Pediatric Bone Marrow Transplant Program, all pediatric hematology/oncology beds are currently located on the third floor of the Colloton Pavilion. The relocation of the Pediatric Bone Marrow Transplant Program inpatient facilities to the Colloton Pavilion and consolidation with its parent service will provide enhanced opportunities for physician and nurse staffing and operational efficiencies. In addition, this will allow use of the Bone Marrow Transplant Unit beds by other pediatric hematology/oncology patients when the bone marrow transplant census permits. The project is an essential component in the phased development of consolidated and coordinated programs, services and facilities for the Children's Hospital of Iowa.

The remodeling of space on the third floor of the Colloton Pavilion will include replacement of the existing heating, ventilating and air conditioning systems to accommodate the high volume, high efficiency particulate air filtration system required by this patient population. In addition, special equipment will be installed to more highly purify the inpatient unit water supply. These special air handling and water treatment systems are required to reduce the transplant patient's risk of infection since the patient's immune system is incapable of fighting infection while preparing for the bone marrow transplant. In addition, the unit will be renovated to bring its finishes up to contemporary standards and to provide the necessary patient, family and staff support facilities. The unit's life-safety systems will also be upgraded to current code requirements.

The estimated cost for the project is \$2,200,000. The project will be funded by University Hospitals Building Usage Funds.

PROJECT DESCRIPTIONS AND BUDGETS

Hardin Library for the Health Sciences—Expand Information Commons \$700,000

Preliminary Budget

Construction	\$ 567,500
Design, Inspection and Administration	
Design and Construction Services	58,800
Consultants	16,900
Contingency	<u>56,800</u>
 TOTAL	 <u>\$ 700,000</u>

Source of Funds:

Building Renewal or Income from	
Treasurer's Temporary Investments	\$ 350,000
College of Medicine Gifts and Earnings	<u>350,000</u>

TOTAL \$ 700,000

University officials requested approval of a project description and budget in the amount of \$700,000 to expand the Information Commons of the Hardin Library for the Health Sciences. The project will remodel approximately 5,550 square feet of space in the northwest wing of the second floor to expand the existing Information Commons area located in the northeast and center areas of this floor. The area to be remodeled is currently used as book stacking space which will be relocated within the library.

The Information Commons provides support space for students and faculty in the areas of computer operation and information retrieval and integrates these resources and skills into the educational process. The project will provide a state-of-the-art computer classroom area with 25 stations, a conference room, student computer room with 25 information stations, three offices, an information desk and waiting area.

The project will include demolition, construction of new walls and ceilings, and installation of furnishings, lighting and carpeting. The furnishings to be installed will include fixed stations and casework in the classroom, and a custom service counter which will be bid as an alternate to the construction contract. Mechanical work will include extensive modifications to the heating, ventilating and air conditioning and electrical systems. The project budget does not include movable equipment, compact shelving, computers, electronic sound equipment, and relocation costs.

University Hospitals and Clinics--Development of Computed \$637,500
Tomography Service and Associated Support Units in Emergency
Treatment and Level I Trauma Center

Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 510,000
Architectural/Engineering Support	51,000
Planning and Supervision	25,500
Contingency	<u>51,000</u>

TOTAL

\$ 637,500

University officials requested approval of a project description and budget in the amount of \$637,500 to renovate space on the first floor of the Carver Pavilion for installation of a computed tomography scanner to serve the University Hospitals Emergency Treatment and Level I Trauma Center. The installation of the scanner in this area will eliminate the need to transport critically ill or injured patients to the third floor Colloton Pavilion computed tomography imaging suite for diagnostic services. This project is critical to the commitment that University Hospitals has made to secure its designation as a Level I Trauma Center.

The project will include renovation of approximately 3,600 gross square feet of space to accommodate the scanner and development of patient preparation and waiting facilities and staff support facilities.

Macbride Hall—Correct Fire Safety Deficiencies--
Install Sprinkler System—Third Floor

April 1998 Budget \$233,000

May 1998 Budget \$272,000

Source of Funds: Building Renewal or Income from
Treasurer's Temporary Investments

Project Budget

	Initial Budget <u>April 1998</u>	Revised Budget <u>May 1998</u>
Construction	\$ 181,000	\$ 220,000
Design, Inspection and Administration		
Consultants	25,000	25,000
Design/Construction Services	9,000	9,000
Contingencies	<u>18,000</u>	<u>18,000</u>
 TOTAL	 <u>\$ 233,000</u>	 <u>\$ 272,000</u>

In April 1998 the university approved a project description and budget in the amount of \$233,000 to install a fire sprinkler system on the third floor of Macbride Hall. On May 22, 1998, the university received Executive Director approval of a revised project budget in the amount of \$272,000, an increase of \$39,000, to allow award of the construction contract.

One bid was received for the above-referenced project on May 13, 1998. The single bid in the amount of \$219,071 was approximately 21.7 percent above the engineering estimate. University officials attributed the receipt of a single bid above the engineering estimate to the busy Iowa City construction market, and therefore re-bidding the project was not likely to result in the receipt of more favorable bids. In addition, the project scope was increased to include an upgrade of the catwalks to be installed in the attic.

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University officials presented eight 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

Hillcrest Residence Hall—Remodel Food Service Area \$706,000
Rohrbach Carlson, Iowa City, Iowa

University officials presented the negotiated agreement for Board approval. The agreement will provide design services for expansion of the dining and food preparation areas, installation of new mechanical, electrical, plumbing and fire protection systems for the dining area, and renovation of the main, west and ground level entries to the facility. The agreement will provide full design services through construction documents and will include the services of a food service systems analyst and kitchen and mechanical design consultants. The agreement provides for a fixed fee of \$706,000, which includes \$70,000 for reimbursables.

University Hospitals and Clinics—Development of Computed Tomography Service and Associated Support Units in Emergency Treatment and Level I Trauma Center \$58,650
Design Professionals Collaborative, Cedar Rapids, Iowa

University officials requested approval to enter into an agreement with Design Professionals Collaborative to provide design services for the project. The agreement provides for a fee of \$58,650, which includes basic services at a fixed fee of \$51,000 and reimbursable expenses not to exceed \$7,650.

Campus Fiber Optic Network—Project 15, Consolidated with Components of Projects 5, 10 and 12 \$215,517
MIS Labs, Watertown, WI

University officials requested approval to enter into an agreement with MIS Labs to provide design, inspection and administration services for Project 15 and the final components of Projects 5, 10 and 12. These remaining components represent the final work to complete the overall Campus Fiber Optic Network project.

The agreement provides for a fee of \$215,517 which includes \$174,785 for professional services and \$40,732 for reimbursables.

Amendments:

Medical Education and Biomedical Research Facility Amendment #3 \$384,800
Payette Associates, Boston, MA/Baldwin White Architects, Des Moines, IA

University officials requested approval of Amendment #3 to the agreement in the amount of \$384,800 which will provide specialized design services for selected facility components. Amendment #3 will include the analysis and design of telecommunications, audio-visual and lighting systems. In addition, the amendment will provide vibration and acoustical analysis for sensitive building areas and additional building code review.

Amendment #3 will not result in an increase in the total project budget.

Northwest Campus Chilled Water Plant Amendment #1 \$62,419
Burns and McDonnell Engineers, Kansas City, MO

University officials requested approval of Amendment #1 in the amount of \$62,419 to the agreement with Burns and McDonnell. The amendment will provide compensation for additional services associated with the evaluation of the future expansion of the chilled water plant by an additional 5,000 tons. These services provide detailed evaluation of several components including the cooling tower and chiller configuration, pipe sizing and layout, and overall integration with the Newton Road Parking Facility.

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

Levitt Center for University Advancement
Brooks Borg and Skiles, Des Moines, IA

Amendment #4 \$61,030

University officials requested approval of Amendment #4 in the amount of \$61,030 to the agreement. The amendment will provide compensation for specialized services for interior lighting and increases in reimbursable expenses for additional printing, travel and administrative expenses.

Amendment #4 will not result in an increase in the total project budget.

Museum of Art Remodeling
Herbert Lewis Kruse Blunck, Des Moines, IA

Amendment #1 \$60,000

University officials requested approval of Amendment #1 in the amount of \$60,000 to the agreement. The amendment will provide compensation for additional conceptual planning services and development of fund raising graphics.

Health Sciences Campus—Westlawn Renovation and Expansion—Student Health Service Relocation and College of Medicine Programs
Baldwin White Architects, Des Moines, IA

Amendment #2 \$26,300

University officials requested approval of Amendment #2 to the agreement in the amount of \$26,300. The amendment will provide compensation for design services for the remodeling of an additional 600 square feet of space on the third floor of the building for use by the College of Medicine. The additional remodeling will convert three existing offices to a classroom and restroom. In addition, the design services will provide for the relocation of the utility entrance for steam service, an additional elevator stop at the north elevator, and an additional lobby for use as a future Westlawn tunnel entrance.

Amendment #2 will not result in an increase in the total project budget.

Health Sciences Campus—Newton Road Relocation
Shive-Hattery, Iowa City, IA

Amendment #1 \$23,452

University officials requested approval of Amendment #1 to the agreement in the amount of \$23,452. The amendment will provide compensation for additional design services to relocate underground utilities in the proposed bus drop area east of the Steindler Building, and to develop staging plans for accelerating the schedule for construction of the Newton Road Parking Facility.

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

CONSTRUCTION CONTRACTS

Mayflower Residence Hall—Upgrade Fire Protection \$2,259,392.00
Award to: McComas-Lacina Construction Company, Inc., Iowa City, Iowa
(2 bids received)

Health Sciences Campus—Raze Steindler Building—Phase 1 \$698,500.00
Award to: McComas-Lacina Construction Company, Iowa City, Iowa
(2 bids received)

Hawkeye Storage Parking Lot Expansion \$524,755.10
Award to: L. L. Pelling Company, Inc., North Liberty, Iowa
(2 bids received)

Bowen Science Building—Remodel Portion of Core 6-400, Physiology Package 4 \$442,515.00
Award to: Hinman Contractor and Builder, Muscatine, Iowa
(5 bids received)

Bowen Science Building—Remodel Portion of Core 2-200, \$422,000.00

Pharmacology Package 4

Award to: O. F. Paulson Construction Company, Cedar Rapids, Iowa
(5 bids received)

Halsey Hall—Convert Pool to Fitness Center

\$305,600.00

Award to: Apex Construction Company, Iowa City, Iowa
(3 bids received)

Macbride Hall—Install Sprinkler System—Third Floor

\$219,071.00

Award to: Aanestad Construction, Iowa City, Iowa
(1 bid received)

Utilities—East Campus Steam Line Cross Connection and Iowa Memorial Union—Exterior Repairs

Reject Bids

Two bids were received for this contract on April 16, 1998. The low bid in the amount of \$589,300 exceeded the engineering estimate by approximately 17.6 percent. In addition, both bids exceeded the construction budget and the higher bid exceeded the total project budget. The Executive Director authorized the university to reject all bids, reevaluate the project scope and re-bid the project at a future date. University officials believe that re-bidding the contract in the late summer or early fall will likely result in the receipt of more favorable bids. In addition, university officials plan to expand the scope of the utilities portion of the contract to include work on a steam line serving Halsey Gym.

Hawkeye Softball Complex—Construct Stadium

Reject Bid

One bid was received for the project on May 21, 1998. The single bid in the amount of \$1,236,000 exceeded both the engineering estimate and the project budget. The Executive Director authorized the university to reject the bid and reevaluate and re-bid the project at a future date. University officials plan to revise the project scope, re-design the entire project and re-bid the construction contract later this summer. University officials will work to encourage more bidders for the second bid opening in an effort to receive more competitive bids for the project.

Upgrade Underground Petroleum Storage Tanks

Reject Bid

One bid was received for the above-referenced project on June 12, 1998. The single bid in the amount of \$1,348,550 exceeded both the engineering estimate and the project budget by significant amounts. The Executive Director authorized the university to reject the bid and divide the project into smaller components, based on the seven underground tank replacement locations, for re-bidding through informal quotations or negotiations. The university's recommendation for each contract will be presented to the Executive Director for award.

The project engineers, Shive-Hattery, indicated that the size and complexity of the project may have prevented some smaller firms from bidding. Shive-Hattery recommended the alternate method in an effort to attract additional bidders and control project costs. Several smaller firms in eastern Iowa have expressed an interest in the individual tank replacement projects, and modifying the project to attract these bidders will likely result in significantly lower total project costs.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Campus Fiber Optic Network—Project 11 and 14 Combined—Outside Plant Fiber
Communication Innovators, Inc., Altoona, Iowa

Carver-Hawkeye Arena—Install Rigging
McComas-Lacina Construction Company, Iowa City, Iowa

Biology Building—Chilled Water Extension
AAA Mechanical Contractors, Iowa City, Iowa

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Tuesday and Wednesday, July 14 and 15, 1998.

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

Register of Personnel Changes for May 1998.

ACTION: The personnel transactions were approved, as presented, on the consent docket.

PROPOSAL TO ESTABLISH A BACHELOR OF SCIENCE DEGREE IN APPLIED PHYSICS. The Board Office recommended the Board (1) refer the proposed new undergraduate program in Applied Physics to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation and (2) request that the Board Office and the Interinstitutional Committee give special consideration to the potential for unnecessary duplication with respect to this request. A part of this consideration should include efforts to develop cooperative efforts in this academic program area.

University of Iowa officials proposed a new undergraduate degree, a Bachelor of Science Degree in Applied Physics. The proposed program will allow students to complete a curriculum in physics that will prepare them to enter scientific and technical positions in industry after receiving their degree.

Similar programs exist, or are being developed, at the University of Northern Iowa, Iowa State University, and a number of private colleges and universities in Iowa.

University officials indicated that 20-40 students might be attracted to the degree. Some may be drawn from the existing BS or BA in Physics; the majority, however, are expected to be new students attracted specifically to this program.

The university will not allocate additional resources for the proposed degree. All of the courses needed for the degree are already in place and are being taught with existing resources.

ACTION: This matter was referred on the consent docket.

REVISIONS TO THE PROFESSIONAL AND SCIENTIFIC CLASSIFICATION SYSTEM.

The Board Office recommended that the Board approve the proposed revisions to the professional and scientific classification system.

As part of its annual review, University of Iowa officials proposed a number of revisions to its professional and scientific classification system. These revisions include the addition of six new classes, pay grade changes to eight classes, and the re-establishment of two classifications.

The pay grades for the new classifications and changes to existing classifications were established through application of the job evaluation instrument in compliance with the state's comparable worth law (Code of Iowa, Chapter 70A.18).

MOTION: Regent Fisher moved to approve the proposed revisions to the professional and scientific classification system. Regent Kennedy 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 University of Iowa be approved.

PERMISSION TO PROCEED WITH PROJECT PLANNING

Art Building—Phases I and II

University officials requested permission to proceed with planning and the architectural selection process for a project to construct a free-standing addition of approximately 70,000 to 80,000 square feet of space to the Art Building (Phase I) and to provide for the remodeling and renovation of the existing Art Building (Phase II).

The Preliminary Five-Year Capital Plan includes a total of \$18,050,000 for the project as requested by the university. This includes \$13,550,000 for construction of the addition and \$4,500,000 for the renovation work. University officials wish to proceed with project planning and the architectural selection process at this time to develop a conceptual plan in order to finalize the amount of funds needed for the project.

The University of Iowa School of Art and Art History has been a pacesetter since its founding six decades ago. The university was the first in the nation to embrace the concept that artists and art historians should work together in a liberal arts environment, learning from each other and passing their combined wisdom on to their students. In addition, the university was the first in the nation to advance the idea that creative work merits academic credit.

Today, the School of Art and Art History remains true to its tradition of excellence. In 1997 the university's art programs were ranked the sixth best in the nation and the second best among public colleges and universities by U.S. News & World Report. In addition, the school's printmaking program was ranked as first in the nation. The school's excellent reputation has fueled student interest in the art programs. Over the past ten years the number of students majoring in art and art history has grown 37 percent from 535 to 734.

One element of the university's art programs that has not kept pace with its overall standard of excellence is the school's physical facilities. The Art Building, which houses the School of Art and Art History, was constructed 60 years ago. Two wings were constructed in the late 1960s, one for printmaking and another shared by specialty programs in sculpture, ceramics, and metalsmithing. In the nearly 30 years since construction of the additions the facilities have fallen below the standards of other colleges and universities and do not provide space needed for student instruction.

The shortage of classroom and studio space has forced the school to scatter its faculty and students among a half dozen buildings across the campus, threatening the school's historic mission of keeping its artist teachers and historians in close proximity to each other and their students. This mission plays a significant role in attracting and retaining top faculty and students which makes the availability of contiguous space a critical issue for the school.

Preliminary plans for the building addition include spaces which will be designed to fit specific uses in order to accommodate a larger number of students and alleviate the serious space problems, and consolidate the programs of the school.

University Services Building

University officials requested permission to proceed with project planning and the architectural selection process for construction of a University Services Building to be located south of the campus. The building would be constructed to house the offices of the Human Resources Department and the Facilities Services Group and would consolidate the offices of each department. In addition, the project would release space on the central campus for academic or other program uses.

University officials began the evaluation of additional space for the departments by undertaking studies to determine the feasibility of renovating two buildings for new or expanded use. The first building project evaluated was the renovation of Eastlawn which is located on the south side of Iowa Avenue at the intersection with Gilbert Street. Eastlawn was constructed in 1915 as a dormitory for nursing students and currently houses the university Human Resources Department. The renovation of the building was evaluated for the continued and expanded use by the department (principally payroll and fringe benefits) following the recent relocation of the State Archaeologist from the building.

The second building project investigated was the reuse of the Laundry Building (which will be vacated this summer) to provide offices for the Facilities Services Group. The renovation of the building would permit some consolidation of the offices of the Facilities Services Group which are located in North Hall and in a number of scattered locations on campus. This would release 10,000 square feet of space in North Hall, which is located near the east campus dormitories, for academic or other program uses.

The results of the studies indicated that the costs to renovate Eastlawn and the Laundry Building to provide modern and efficient office environments for the departments would approach the cost of new construction. Alternatives regarding Eastlawn are being discussed. In addition, the Laundry Building is located in an area of campus which is slated to be cleared in the university's long-range plans for development of an academic/research facility, making it inappropriate for such a significant investment. These factors require that alternatives for housing the departments be developed.

In addition to the studies of Eastlawn and the Laundry Building, university officials have completed long-range planning, focusing on the campus area south of Burlington Street on the east side of the Iowa River. This study recommends consolidation of university support activities now scattered throughout the area into the south end of the site or to off-campus locations. This plan would increase the number of available future building sites for academic or research activities on the east side of the river. This study has been reviewed and approved by the University Campus Planning Committee and will be incorporated in the revised Campus Planning Framework which will be published this summer and presented this fall to the Board.

The study has designated the one and one-half block area between South Capitol Street, Prentiss Street, South Madison Street and the Interstate Railroad right-of-way as the location for the consolidation of university support facilities. The entire site is located within the campus boundaries and all but four properties on the site are owned by the university. Two of the properties are presently leased for university support functions.

University officials proposed to construct a commercial-type office building on the northeast corner of this area to house the Human Resources Department and the offices of the Facilities Services Group. The construction of the facility at this site will accommodate the future construction of additional administrative support offices and the relocation of the shops of the Facilities Services Group from campus sites designated to house future academic and research functions.

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TOTAL \$ 700,000

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Preliminary Budget

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Architectural/Engineering Support	51,000
Planning and Supervision	25,500
Contingency	<u>51,000</u>

TOTAL

\$ 637,500

University officials requested approval of a project description and budget in the amount of \$637,500 to renovate space on the first floor of the Carver Pavilion for installation of a computed tomography scanner to serve the University Hospitals Emergency Treatment and Level I Trauma Center. The installation of the scanner in this area will eliminate the need to transport critically ill or injured patients to the third floor Colloton Pavilion computed tomography imaging suite for diagnostic services. This project is critical to the commitment that University Hospitals has made to secure its designation as a Level I Trauma Center.

The project will include renovation of approximately 3,600 gross square feet of space to accommodate the scanner and development of patient preparation and waiting facilities and staff support facilities.

Macbride Hall—Correct Fire Safety Deficiencies--
Install Sprinkler System—Third Floor

April 1998 Budget \$233,000

May 1998 Budget \$272,000

Source of Funds: Building Renewal or Income from
Treasurer's Temporary Investments

Project Budget

	Initial Budget <u>April 1998</u>	Revised Budget <u>May 1998</u>
Construction	\$ 181,000	\$ 220,000
Design, Inspection and Administration		
Consultants	25,000	25,000
Design/Construction Services	9,000	9,000
Contingencies	<u>18,000</u>	<u>18,000</u>
 TOTAL	 <u>\$ 233,000</u>	 <u>\$ 272,000</u>

In April 1998 the university approved a project description and budget in the amount of \$233,000 to install a fire sprinkler system on the third floor of Macbride Hall. On May 22, 1998, the university received Executive Director approval of a revised project budget in the amount of \$272,000, an increase of \$39,000, to allow award of the construction contract.

One bid was received for the above-referenced project on May 13, 1998. The single bid in the amount of \$219,071 was approximately 21.7 percent above the engineering estimate. University officials attributed the receipt of a single bid above the engineering estimate to the busy Iowa City construction market, and therefore re-bidding the project was not likely to result in the receipt of more favorable bids. In addition, the project scope was increased to include an upgrade of the catwalks to be installed in the attic.

* * * * *

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

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

Hillcrest Residence Hall—Remodel Food Service Area \$706,000
Rohrbach Carlson, Iowa City, Iowa

University officials presented the negotiated agreement for Board approval. The agreement will provide design services for expansion of the dining and food preparation areas, installation of new mechanical, electrical, plumbing and fire protection systems for the dining area, and renovation of the main, west and ground level entries to the facility. The agreement will provide full design services through construction documents and will include the services of a food service systems analyst and kitchen and mechanical design consultants. The agreement provides for a fixed fee of \$706,000, which includes \$70,000 for reimbursables.

University Hospitals and Clinics—Development of Computed Tomography Service and Associated Support Units in Emergency Treatment and Level I Trauma Center \$58,650
Design Professionals Collaborative, Cedar Rapids, Iowa

University officials requested approval to enter into an agreement with Design Professionals Collaborative to provide design services for the project. The agreement provides for a fee of \$58,650, which includes basic services at a fixed fee of \$51,000 and reimbursable expenses not to exceed \$7,650.

Campus Fiber Optic Network—Project 15, Consolidated with Components of Projects 5, 10 and 12 \$215,517
MIS Labs, Watertown, WI

University officials requested approval to enter into an agreement with MIS Labs to provide design, inspection and administration services for Project 15 and the final components of Projects 5, 10 and 12. These remaining components represent the final work to complete the overall Campus Fiber Optic Network project.

The agreement provides for a fee of \$215,517 which includes \$174,785 for professional services and \$40,732 for reimbursables.

Amendments:

Medical Education and Biomedical Research Facility Amendment #3 \$384,800
Payette Associates, Boston, MA/Baldwin White Architects, Des Moines, IA

University officials requested approval of Amendment #3 to the agreement in the amount of \$384,800 which will provide specialized design services for selected facility components. Amendment #3 will include the analysis and design of telecommunications, audio-visual and lighting systems. In addition, the amendment will provide vibration and acoustical analysis for sensitive building areas and additional building code review.

Amendment #3 will not result in an increase in the total project budget.

Northwest Campus Chilled Water Plant Amendment #1 \$62,419
Burns and McDonnell Engineers, Kansas City, MO

University officials requested approval of Amendment #1 in the amount of \$62,419 to the agreement with Burns and McDonnell. The amendment will provide compensation for additional services associated with the evaluation of the future expansion of the chilled water plant by an additional 5,000 tons. These services provide detailed evaluation of several components including the cooling tower and chiller configuration, pipe sizing and layout, and overall integration with the Newton Road Parking Facility.

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

Levitt Center for University Advancement
Brooks Borg and Skiles, Des Moines, IA

Amendment #4 \$61,030

University officials requested approval of Amendment #4 in the amount of \$61,030 to the agreement. The amendment will provide compensation for specialized services for interior lighting and increases in reimbursable expenses for additional printing, travel and administrative expenses.

Amendment #4 will not result in an increase in the total project budget.

Museum of Art Remodeling
Herbert Lewis Kruse Blunck, Des Moines, IA

Amendment #1 \$60,000

University officials requested approval of Amendment #1 in the amount of \$60,000 to the agreement. The amendment will provide compensation for additional conceptual planning services and development of fund raising graphics.

Health Sciences Campus—Westlawn Renovation and Expansion—Student Health Service Relocation and College of Medicine Programs
Baldwin White Architects, Des Moines, IA

Amendment #2 \$26,300

University officials requested approval of Amendment #2 to the agreement in the amount of \$26,300. The amendment will provide compensation for design services for the remodeling of an additional 600 square feet of space on the third floor of the building for use by the College of Medicine. The additional remodeling will convert three existing offices to a classroom and restroom. In addition, the design services will provide for the relocation of the utility entrance for steam service, an additional elevator stop at the north elevator, and an additional lobby for use as a future Westlawn tunnel entrance.

Amendment #2 will not result in an increase in the total project budget.

Health Sciences Campus—Newton Road Relocation
Shive-Hattery, Iowa City, IA

Amendment #1 \$23,452

University officials requested approval of Amendment #1 to the agreement in the amount of \$23,452. The amendment will provide compensation for additional design services to relocate underground utilities in the proposed bus drop area east of the Steindler Building, and to develop staging plans for accelerating the schedule for construction of the Newton Road Parking Facility.

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

CONSTRUCTION CONTRACTS

Mayflower Residence Hall—Upgrade Fire Protection \$2,259,392.00
Award to: McComas-Lacina Construction Company, Inc., Iowa City, Iowa
(2 bids received)

Health Sciences Campus—Raze Steindler Building—Phase 1 \$698,500.00
Award to: McComas-Lacina Construction Company, Iowa City, Iowa
(2 bids received)

Hawkeye Storage Parking Lot Expansion \$524,755.10
Award to: L. L. Pelling Company, Inc., North Liberty, Iowa
(2 bids received)

Bowen Science Building—Remodel Portion of Core 6-400, Physiology Package 4 \$442,515.00
Award to: Hinman Contractor and Builder, Muscatine, Iowa
(5 bids received)

Bowen Science Building—Remodel Portion of Core 2-200, \$422,000.00

Pharmacology Package 4

Award to: O. F. Paulson Construction Company, Cedar Rapids, Iowa
(5 bids received)

Halsey Hall—Convert Pool to Fitness Center

\$305,600.00

Award to: Apex Construction Company, Iowa City, Iowa
(3 bids received)

Macbride Hall—Install Sprinkler System—Third Floor

\$219,071.00

Award to: Aanestad Construction, Iowa City, Iowa
(1 bid received)

Utilities—East Campus Steam Line Cross Connection and Iowa Memorial Union—Exterior
Repairs

Reject Bids

Two bids were received for this contract on April 16, 1998. The low bid in the amount of \$589,300 exceeded the engineering estimate by approximately 17.6 percent. In addition, both bids exceeded the construction budget and the higher bid exceeded the total project budget. The Executive Director authorized the university to reject all bids, reevaluate the project scope and re-bid the project at a future date. University officials believe that re-bidding the contract in the late summer or early fall will likely result in the receipt of more favorable bids. In addition, university officials plan to expand the scope of the utilities portion of the contract to include work on a steam line serving Halsey Gym.

Hawkeye Softball Complex—Construct Stadium

Reject Bid

One bid was received for the project on May 21, 1998. The single bid in the amount of \$1,236,000 exceeded both the engineering estimate and the project budget. The Executive Director authorized the university to reject the bid and reevaluate and re-bid the project at a future date. University officials plan to revise the project scope, re-design the entire project and re-bid the construction contract later this summer. University officials will work to encourage more bidders for the second bid opening in an effort to receive more competitive bids for the project.

Upgrade Underground Petroleum Storage Tanks

Reject Bid

One bid was received for the above-referenced project on June 12, 1998. The single bid in the amount of \$1,348,550 exceeded both the engineering estimate and the project budget by significant amounts. The Executive Director authorized the university to reject the bid and divide the project into smaller components, based on the seven underground tank replacement locations, for re-bidding through informal quotations or negotiations. The university's recommendation for each contract will be presented to the Executive Director for award.

The project engineers, Shive-Hattery, indicated that the size and complexity of the project may have prevented some smaller firms from bidding. Shive-Hattery recommended the alternate method in an effort to attract additional bidders and control project costs. Several smaller firms in eastern Iowa have expressed an interest in the individual tank replacement projects, and modifying the project to attract these bidders will likely result in significantly lower total project costs.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Campus Fiber Optic Network—Project 11 and 14 Combined—Outside Plant Fiber
Communication Innovators, Inc., Altoona, Iowa

Carver-Hawkeye Arena—Install Rigging
McComas-Lacina Construction Company, Iowa City, Iowa

Biology Building—Chilled Water Extension
AAA Mechanical Contractors, Iowa City, Iowa

Wendell Johnson Speech and Hearing Center—Correct Fire Safety Deficiencies
Hinman Contractor and Builder, Muscatine, Iowa

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

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

University officials requested approval of an amendment to its lease agreement as lessee with Washington County Hospital which will adjust the lease term to commence September 1, 1998 through August 31, 2003, and increase the rental rate from \$1,602 per month to \$2,331.50 per month (\$12.81 per square foot, \$27,978 per year).

University officials requested approval of permanent and temporary easements with the City of Iowa City for the installation of a sanitary sewer line and construction of a pedestrian trail near the site of the university's Consolidated Business Services Building.

University officials requested approval of the assignment of right-of-way and a temporary construction easement with the City of Coralville for the extension of Holiday Road through the Oakdale Research Park.

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

MOTION CARRIED.

MEETING OF THE IOWA STATE BOARD OF REGENTS AS THE BOARD OF TRUSTEES OF THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS. The Board Office recommended the Board receive the quarterly report on the operations of the University of Iowa Hospitals and Clinics.

The Board of Regents in its role as the Trustees of the University of Iowa Hospitals and Clinics was provided a quarterly report on operations of the UIHC. Four areas were covered in the report: 1) quarterly update on UIHC operations, programs, and finances; 2) UIHC preparations for Year 2000; 3) 1998-99 final operating budgets and rate increases for the University of Iowa Statewide Health Service Units; and 4) University Hospital School: Celebrating Five Decades of Serving Iowans with Disabilities.

Quarterly Update on UIHC Operations, Programs, and Finances

UIHC's operating performance remains strong, although the anticipated decline in net revenue did occur in fiscal year 1998 which closed June 30. UIHC's strong performance, despite continued evolution of the managed care marketplace and reductions in payments by major third-party payers, can be attributed to:

- a) proactive measures staff members have taken to control expenses;

- b) continued development of affiliations and outreach activities with community-based physicians and hospitals; and
- c) hard work and commitment by UIHC staff members to refine programs, while also enhancing patient outcomes and satisfaction.

For the first 11 months of 1997-98, admissions totaled 37,963, which favorably compares to the same period of FY 1996-97 were relatively stable (approximately .9 percent lower). Of that total, the number of acute admissions declined by approximately 5.4 percent to 21,414 while the number of admitted outpatients increased 5.6 percent to 16,200.

The average length of acute patients' stay, at 7.4 days, was the same as for the July through May period of fiscal year 1996-97.

The case mix, which indicates the severity of illness and complexity of care required by UIHC patients, increased by 2.3 percent. This is also an indicator of the resources required in the care of patients. The severity of illness among UIHC patients is also reflected in the 3.9 percent increase in the average expense per admission at \$11,371 and a 6.3 percent increase in patients' average per diem expense at \$1,488.

The 544,950 combined total of outpatient clinic visits to the UIHC and visits to its outreach clinics in 51 Iowa communities increased by 2.5 percent.

Managed care patient revenues increased only 2 percent while these payers' patient volumes at UIHC increased:

- Acute patient admissions (8.6 percent)
- Acute patient days (4.7 percent)
- Clinic visits (11 .2 percent)

This demonstrates the reduced payment and reduced utilization UIHC experiences with this payer group.

UIHC Preparations for the Year 2000

Computer-assisted technology is pervasive in health care and health care administration. Because of technology's critical role in patient care, computer adaptation to the 21st century must be ensured. Mr. Wagner reported on the scope, anticipated costs and progress to date in verifying and when necessary, modifying computer equipment, software and other technology in six major areas. These include 1) medical equipment; 2) telecommunications; 3) vendor software; 4) the UIHC INFORMM mainframe; 5) personal computers; and 6) the building mechanical systems.

1998-99 Final Operating Budgets and Rate Increases for the University of Iowa Statewide Health Service Units

The proposed University of Iowa Hospitals and Clinics (University Hospital) FY 1998-99 budget is \$400.3 million, an increase of 4.7 percent over FY 1997-98. Only \$31.3 million or 8 percent of the University Hospital budget is received from state appropriation as reimbursement for health care provided to indigent patients.

The proposed FY 1998-99 budget for Psychiatric Hospital is \$16.8 million, a 1.2 percent increase when compared to FY 1997-98. An appropriation of \$7.9 million from the state general fund for this budget includes a 3.5 percent increase in state appropriated support.

The growth in the University Hospital revenue and expense budget includes the transfer of rehabilitative services from the Psychiatric Hospital budget and certain Family Care Center functions from the College of Medicine Faculty Practice Plan budget.

The proposed FY 1998-99 budget for University Hospital School is \$8.3 million, an increase of 4.1 percent. The budget includes a state general fund appropriation of \$6.8 million, a 4.7 percent increase in state appropriated support.

The proposed FY 1998-99 budget for Statewide Child Health Services (cancer, hemophilia, high-risk infant health care) is \$787,400, an increase of 4.2 percent. The state general fund appropriated support at \$551,434 reflects an increase of 6 percent.

The proposed FY 1998-99 budget for Statewide Child Health Services (mobile and regional clinics and muscular dystrophy) \$3.4 million with no state appropriated support. The program budget includes \$2.6 million in federal block grant support.

University Hospital School: Celebrating Five Decades of Serving Iowans with Disabilities

On June 30, 1998, Dr. Al Healy concluded a distinguished, 41-year career of clinical service, teaching research and administration of innovative programs supporting children and adults with developmental disabilities.

Dr. Healy discussed the role of the University Hospital School during its 50 years of service to Iowans.

Dr. Healy has served in special advisory capacities regarding the two special schools and to the Board of Regents and provided excellent service to the Board and institutions.

President Coleman said she was pleased to introduce the team from UIHC. She noted that Ed Howell had been the CEO of UIHC for the last 4 years. She stated that health care is changing dramatically in this country. She was extraordinarily proud of what has been done at University of Iowa Hospitals and Clinics. It is exciting and also challenging sometimes. She was confident that the Board and university have some of the best people in the country working on this for them.

Director Howell reviewed the operating statistical measures with the Regents. UIHC officials continue to see a decline in acute admissions, surgical and obstetrical admissions particularly. There has been a slight increase in medical admissions which he said may reflect a stabilizing of the impact of managed care. There has been a significant increase in outpatient surgical activity. With regard to the summary of financial measures, he said UIHC is experiencing a slight decline in net revenues, an anticipated phenomenon which reflects the continued growth of managed care. Last year was a particularly strong year. There was a significant growth in services covered by managed care. On the expense side, he said there was a 1-1/2 percent increase in total expenses which generated a 6.1 percent operating margin. Director Howell believes the figures are in line with the anticipated operating margin for the year. There has been a net growth in Medicaid funding for the year as a result of the medical education trust fund. UIHC experienced a significant decline in the amount of receivables as a result of the revamped billing system.

Regent Fisher asked if a cash flow statement had been prepared. Director Howell responded that UIHC officials normally do not submit a cash flow statement with the quarterly report. The Banking Committee reviews the cash flow statement.

Regent Kennedy asked, for the sake of clarification, that hospital officials isolate the cash flow statement and send it to all of the Regents. Associate Director Elliott indicated that she would take care of the request.

Director Howell introduced James Wagner, Director of the UIHC Information Systems, to discuss University of Iowa Hospitals and Clinics' efforts in anticipation of the year 2000.

Director Wagner stated that University of Iowa Hospitals and Clinics officials have been working on year 2000 compliance for quite some time. He said the operation was divided into six categories, which he described. He presented the three primary characteristics of the status of the efforts in each category which were 1) scope, 2) estimated cost and 3) estimate of completion status. The Hospital information system (INFORMM) contains all patient and financial information. University Hospitals officials have been working on this component the longest. His initial estimate two years ago was that it would cost \$972,000 to correct the INFORMM system with a December 31, 1998, target date. He was pleased to report that progress was even better than expected. The current estimate of cost was \$585,000 and the completion status was approximately 80 percent complete. He said a safety period of a full year prior to the turn of the century was established because of items like patient appointments.

Director Wagner discussed the personal computers category which had an estimated cost of \$625,000. He said many of the personal computers are turning over through a process of attrition. The completion status is 70 percent complete. With regard to the category of vendor software, he said the estimated cost was \$62,000. The biggest problem in this category is identifying all of the work stations. The completion status is 70 percent complete. The telecommunications category has an estimated cost of \$5,500 and is 84 percent complete. The medical equipment category has an estimated cost of \$975,000. He said many of the pieces of medical equipment will need to be replaced because they have imbedded chips. This category is 60 percent complete. The building mechanicals category has no cost attributed to it and is 95 percent complete.

Director Wagner concluded his presentation by stating that advanced planning and preliminary work are paying off for the UIHC. He noted that 30 percent of hospitals surveyed have not begun formal planning.

President Newlin asked when the UIHC would be at 100 percent completion in all areas. Director Wagner responded that a realistic goal was six months ahead of the turn of the century. Components are already being tested.

Regent Kennedy commended Director Wagner and his staff on their efforts. She said she appreciated the way the report was set up and that it gave her confidence that UIHC officials have a handle on the year 2000 compliance issues.

President Newlin asked Director Wagner where he was going to be on January 1, 2000. Director Wagner responded that he would be at UIHC "babysitting" computer systems.

Director Howell stated that it would come as no surprise to the Regents after that fine presentation to know that Director Wagner was chosen as the chief information officer of the year among health care facilities.

Director Howell noted that during recent severe thunderstorms the University of Iowa Hospitals and Clinics was without power for 5 hours. He said the staff response was impressive. Staff responded with competency and professionalism.

Director Howell reviewed the UIHC's final FY 1999 operating budgets with the Regents as well as rate increases for the University of Iowa statewide health service units.

Director Howell introduced Dr. Al Healy, Director Emeritus, Division of Developmental Disabilities, Department of Pediatrics.

Dr. Healy stated that on behalf of 175 faculty and staff of the University Hospital School he would report on its activities over the past 50 years. He said the University Hospital School's mission was established in 1947 by legislative action. It was encouraged to provide services and support to children with physical disabilities. University Hospital School officials enhanced and provided value added to those services and positioned University Hospital School for the future.

Dr. Healy reviewed the history of University Hospital School and the programs it has offered. In 1948 the program first started in the basement of Westlawn. Dr. Healy has been associated with the facility for 42 years. He noted that mental disability/retardation were added to the school's charge. University Hospital School handles all special education for the Iowa City school district. The previous day University Hospital School officials were notified of receipt of a 5-year continuation grant under that program. He discussed the effect of Public Law 94-142, the Education of All Handicapped Children Act. A few weeks ago Dr. Healy spoke with a 45-year-old gentleman who had spent 10 to 12 years at University Hospital School. The gentleman has a successful career as a manager with a northwest Iowa communication system. He informed Dr. Healy that at the University Hospital School he had learned how to walk and to tell the difference between right and wrong.

Dr. Healy reviewed the variety of services that are now provided at the University Hospital School. He stated that the concept of augmentative communication evolved at the University Hospital School. University Hospital School now provides services for adults. Last year the school touched 30,000 Iowans in some way. It is intimately involved with 300 University of Iowa students. He discussed the challenges awaiting University Hospital School in the next decade.

President Newlin congratulated Dr. Healy on a very distinguished career and thanked him for his tremendous contributions.

Regent Pellett expressed appreciation for the report. She stated this was the first time the Board of Regents had received a report from the University Hospital School since she has been on the Board.

Director Howell noted that Dr. Healy came to the meeting out of retirement. He suggested that some time when the Regents are in Iowa City they come see some of the services the school offers, noting that it would be well worth it.

President Newlin expressed the Board's appreciation to Director Howell and his colleagues for the presentation.

MOTION:

Regent Pellet moved to receive the quarterly report on the operations of the University of Iowa Hospitals and Clinics. Regent Ahrens seconded the motion.
MOTION CARRIED UNANIMOUSLY.

EXECUTIVE SESSION. President Newlin requested that the Board enter into closed session pursuant to the Code of Iowa section 21.5(1)(i) upon requests of employees whose performance was being considered; section 21.5(1)(j) to discuss the purchase of

real estate where disclosure could reasonably be expected to increase the price for the property; section 20.17(3) to conduct a strategy meeting of a public employer for collective bargaining; and section 21.5(1)(c) to discuss a matter with counsel which is either in litigation or where litigation is imminent.

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

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 4:18 p.m. on July 14, 1998, and recessed at 6:30 p.m.; reconvened in closed session on July 15, 1998, at 1:50 p.m. and adjourned therefrom at 3:15 p.m. on that same date.

SALE OF PROPERTY, POLK COUNTY, FLORIDA. The Board Office recommended the Board authorize the sale by the University of Iowa of a 25,424 square feet parcel of land (.5837 acres) located in Polk County, Florida, to the Florida Department of Transportation, at the negotiated price of \$29,625, with the proceeds of the sale to be transferred to the university for inclusion in the endowment fund for the Gilman A. and Lena S. Drew Scholarship Fund, subject to approval of the Executive Council of Iowa.

University of Iowa officials requested approval of the sale of a 25,424 square feet parcel of land located in Polk County, Florida, subject to approval of the Executive Council of Iowa. The parcel is being acquired by the Florida Department of Transportation for planned improvements and the realignment of Florida State Highway S.R. 655. The property is part of a 40 acre parcel of land which was bequeathed to the university for establishment of the Gilman A. and Lena S. Drew Memorial Scholarship Fund. The 25,424 square feet parcel has an appraised value of \$12,050. The purchase price of \$29,625 is the amount established through the Polk County, Florida, Circuit Court. The negotiated purchase price represents the settlement between the parties which includes additional compensation to the university for damages.

The request to the Executive Council will stipulate that the proceeds of the sale are to be transferred to the university for inclusion in the endowment fund for the Gilman A. and Lena S. Drew Scholarship Fund.

MOTION: Regent Fisher moved to authorize the sale by the University of Iowa of a 25,424 square feet parcel of land (.5837 acres) located in Polk County, Florida, to the Florida Department of Transportation, at the negotiated price of \$29,625, with the proceeds of the sale to be transferred to the university for inclusion in the endowment fund for the Gilman A. and Lena S. Drew Scholarship Fund, subject to approval of the Executive Council of Iowa. Regent Kennedy seconded the motion, and upon the roll being called, the following voted:

AYE: Ahrens, Fisher, Kelly, Kennedy, Newlin, Pellett,
Smith.

NAY: None.

ABSENT: Arenson, Lande.

MOTION CARRIED.

REPORT ON STORM DAMAGE. The Board Office recommended that the Board receive the report on storm damage at the University of Iowa.

On June 29, 1998 at approximately 3:00 p.m., heavy rain and a severe windstorm hit the Iowa City area resulting in widespread damage at the University of Iowa. The storm severed external electrical connections to the main campus for approximately four hours. University Hospitals and Clinics continued operations for critical activities by using backup generators, but the majority of university facilities were without power. Classes were cancelled that evening, but resumed the next morning.

The preliminary estimate of damage is \$1,500,000. The university has a blanket property insurance policy through Allendale Insurance Co. that provides for all risk coverage.

	Deductible
Auxiliary and Self-Supporting Facilities	\$ 100,000*
General Fund Supported Facilities	\$2,000,000 **

*The University maintains a reserve to self-insure the deductible portion that reduces the deductible to \$1,000 on bonded facilities, self-supporting and auxiliary units.

**For general fund supported facilities, claims under \$2,000,000 will be submitted to the State of Iowa and reimbursement requested pursuant to Chapter 29C.20 of the *Code of Iowa*.

University Hospitals and Clinics sustained water damage in the faculty offices located in the lower level of the Pomerantz Pavilion. Wind driven water entered the facility through the skylight/glass dome windows, air vents, and drains. Carpet, furnishings, books, and computer equipment sustained most of the damage. Estimates are still being accumulated for all areas of the hospital.

Athletics -- Damage is estimated at \$850,000. The cost to repair the damage to the Indoor Practice Facility that was blown down is estimated at \$750,000. Fences, baseball batting cages, field hockey bleachers, and the speaker/sound systems at Kinnick Stadium were also damaged.

WSUI - Two radio towers were blown down resulting in the temporary loss of AM broadcasts. Estimated damage is \$300,000.

Recreation Services - Windows were broken, tennis courts and lights were damaged, fencing collapsed, and water/mud runoff damaged the lower Finkbine softball parking area. Damage is estimated at \$26,700.

Trees, landscaping - Trees were uprooted, limbs broken off, and substantial debris was scattered all over the campus. Approximately 65 trees were lost, 17 at the Pentacrest. Debris removal is ongoing with priority being given to public safety. All pedestrian walkways have been cleared. Damage and cost for debris removal is tentatively estimated at \$100,000. This estimate does not consider the enormous aesthetic loss from damaged and destroyed trees.

Research - Loss of power affected research, much of which is dependent upon a stable environment and temperatures. Losses were preliminarily reported for projects in the Biology Building laboratories. Estimated damage is \$150,000 at this time.

Residence Systems - Damages are estimated at \$100,000 and include minor roof damage, broken windows, tree and shrub debris, and food losses due to the power outage. The northern section of the Rienow Hall roof was damaged; repair costs are estimated at \$30,000 - \$50,000. Power was lost at the Mayflower Residence Hall for three days while power at some parts of Hawkeye Drive (Family Housing) was not restored until July 4. These facilities are not served by the University's electrical distribution system and are entirely dependent upon Mid-American Energy's distribution system.

Greenhouses - Two greenhouses (West Side and Chemistry-Botany) have a significant number of broken windows.

Other Damage - Minor water and wind damage occurred to the roofs, computer equipment, and HVAC system control systems of many buildings. Water damage occurred within interior areas where roofs leaked or wind forced rain inside the buildings.

Vice President True stated that the overall dollar amount of the damage was in the range of \$1.5 million. He said the damage was widespread throughout the campus. Trees were damaged, particularly on the Pentacrest. The indoor practice facility was deflated. University officials proposed to get the practice facility restored in time for the football program later this summer. He reviewed the university's insurance coverage including deductibles, and said he did not know how much of the loss would be paid from insurance. Those losses that are eligible for reimbursement from the state will be provided to the Board Office. University officials are proud of how they have been able to mitigate the losses through carefully crafted insurance.

Vice President True presented a formal request regarding repair of the Indoor Practice Facility damaged by the June 29, 1998, storm, as follows:

- 1) Authorize the Executive Director to approve the plans and preliminary budget for the repair and replacement of the fabric roof and lighting system of the indoor practice facility.
- 2) Authorize the university to contract with Air Structures American Technologies, Inc. (A.S.A.T.I.), for the purchase and installation of the new fabric roof.

Vice President True stated that university officials would like to proceed immediately to order material to reinflate the indoor practice facility. The assessment of damage is incomplete because much of the lighting, etc., is underneath the large structure.

Regent Kelly referred to the tree damage and asked if there was a plan for replacing the trees and how would the replacement be financed. Vice President True responded that the trees would be replaced although not exactly in the same locations. Larry Wilson, with the university's facilities services group, is putting together a plan to restore many of the trees. Funds will be allocated from building repair funds for that purpose. Vice President True said the effort would not cost a great deal of money compared to the aesthetic loss.

MOTION:

Regent Fisher moved to (1) receive the report on storm damage at the University of Iowa, (2) authorize the Executive Director to approve the plans and preliminary budget for the repair and replacement of the fabric roof and lighting system of the indoor practice facility, and (3) authorize the university to contract with Air Structures American Technologies, Inc. (A.S.A.T.I.) for the purchase and installation of the new fabric roof. Regent Kelly seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to the University of Iowa.

President Coleman introduced Larry Murphy, the new Interim Director of Governmental Relations. She noted that university officials were delighted to have someone of his caliber in the position.

Interim Director Murphy stated that it was his privilege to be on board at the University of Iowa. As a legislator he was always proud of what the three Regent universities have done.

President Newlin welcomed Interim Director Murphy and said the Board looked forward to working with him.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Tuesday and Wednesday, July 14 and 15, 1998.

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

Register of Personnel Changes for June 1998 that included eight requests for early retirement and two requests for phased retirement.

The following actions were presented for the Board's information:

Appointment of PETER M. SIEGEL, Director of Academic Information Technology, beginning July 15, 1998, at an annual salary of \$160,000.

Appointment of JOHN DOBSON, Interim Dean of Liberal Arts and Sciences, beginning July 1, 1998, at an annual salary of \$130,000.

Resignation of RICHARD HOFFMAN, Interim Dean of Liberal Arts and Sciences, effective June 30, 1998.

Appointment of HOWARD N. SHAPIRO, Vice Provost for Undergraduate Programs, effective August 15, 1998, at an annual salary of \$130,000.

ACTION: The personnel transactions were approved, as presented, on the consent docket.

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

PERMISSION TO PROCEED WITH PROJECT PLANNING

Beardshear Hall Remodeling

University officials requested permission to proceed with project planning for the remodeling of approximately 40,700 gross square feet of space in Beardshear Hall. The project will address the ground, first, second and third floors of the building which are currently used for various university administrative and student-related functions. Space in the building has and will be vacated with the relocation of some administrative departments to the new Administrative Services Building, Pearson Hall and the Student Services Building. The vacating of these functions from Beardshear Hall will allow space in the central campus core to be developed for student services.

The primary focus of the remodeling project will be development of a University Help Center on the ground floor of the building. The Help Center will consolidate various

student-related functions in one central location on campus. The university's current plans include the relocation of several offices presently housed in Beardshear Hall to the Help Center. Included are the Scholarship Unit, Student Loans, Financial Transactions, Student Employment, and Specialized Student Services. Also planned is the relocation of the Career Planning and Placement Office from Alumni Hall and relocation of the ISU Card Office from the Memorial Union. In addition, the Help Center will include two new functions, a Student Help Desk and the Access Plus/Videolink to the Registrar's Office.

Remodeling work in the interior central hall will include removal of the elevator located in the south stair hall in order to restore the hall to its original layout. The elevator will be moved to a location where its impact on the building interior will be minimized. In addition to the elevator relocation, the project will address other life safety, building code, accessibility and deferred maintenance deficiencies in the building. Included are the replacement of the roof, repairs to the roof parapet wall, dome, and portico roof, and reconstruction of the east exterior steps leading to the first floor.

Beardshear Hall was constructed from 1903 to 1906 and has significant historical value. Especially important are the neoclassical elements of the building exterior and the interior central hall space. The majority of the remodeling project will address the interior office space which will not affect the building exterior or the interior central hall. However, the exterior repair work will be done in a manner which preserves the important architectural detail and prolongs the life of the building.

PROJECT DESCRIPTIONS AND BUDGETS

Beardshear Hall Remodeling \$5,750,507

Preliminary Budget

Construction Costs	\$ 5,071,924
Professional Fees	667,533
Relocation	11,050
 TOTAL	 <u>\$ 5,750,507</u>

Source of Funds:

Income from Treasurer's Temporary Investments	\$ 4,733,781
General University Funds	1,016,726
 TOTAL	 <u>\$ 5,750,507</u>

University officials requested approval of a project budget in the amount of \$5,750,507 to be funded by Income from Treasurer's Temporary Investments and General University funds.

Utilities—North Campus Extensions \$585,336

Source of Funds: Utility Repair Funds

Preliminary Budget

Construction Costs	\$ 495,556
Professional Fees	89,780
 TOTAL	 <u>\$ 585,336</u>

University officials requested approval of a project description and budget in the amount of \$585,336 to install electrical system and water main extensions from the west areas of campus to the north campus. The project is necessary to provide sufficient and redundant utility capacity to serve the Library Storage and Administrative Services Office Buildings.

Utilities—West Campus Electrical Feeder \$471,676

Source of Funds: Utility Repair Funds

Preliminary Budget

Construction Costs	\$ 397,238
Professional Fees	74,438
 TOTAL	 <u>\$ 471,676</u>

University officials requested approval of a project description and budget in the amount of \$471,676 to install a second set of electrical cables from the university Heating Plant to electrical substations located near Pearson Hall. The electrical service to the southwest portion of campus originates from these substations which are served by a single set of cables from the Heating Plant. It is anticipated that construction of Howe Hall and other

projects in the southwest portion of the campus will increase the load of the existing cables to their capacity. The installation of a second set of 13,800 volt cables is necessary to continue to provide reliable service to this area of campus. After completion of the project each substation will be operated from one set of cables.

Jack Trice Stadium—Football Practice Fields

Feb. 1997 Budget \$1,250,000

July 1998 Budget \$2,212,000

Project Budget

	Initial Budget <u>Feb. 1997</u>	Revised Budget <u>July 1998</u>
Construction Costs	\$ 746,500	\$ 1,693,615
Professional Fees	208,500	253,827
Fixed Equipment	50,000	0
Utilities Extensions	120,000	101,000
Project Reserve	125,000	163,558
TOTAL	<u>\$ 1,250,000</u>	<u>\$ 2,212,000</u>
Source of Funds:		
ISU Foundation	\$ 1,250,000	\$ 2,212,000
	<u>\$ 1,250,000</u>	<u>\$ 2,212,000</u>

University officials requested approval of a revised project budget in the amount of \$2,212,000, an increase of \$962,000, which reflected an increase in the project scope to include various improvements to the practice fields.

As the design of the practice fields has progressed, a number of improvements have been developed which will address the quality of the fields and the size of the playing surfaces. The improvements include development of the natural grass practice field as a more extensive sand-based field system similar to the stadium field. This will provide a practice surface nearly identical in performance and feel to the game-day field. In addition, the sand-based system will allow better drainage to reduce field down time during wet weather.

The size of the artificial practice field will be expanded in both length and width to provide greater player safety since the playing field will be less crowded. The larger field can also be used for soccer during wet conditions.

In addition to the improvements to the practice fields, the project will include additional landscaping around the fields to provide more secure practice sessions. The project will also reconfigure the parking lot west of the Jacobson Building to alleviate some of the loss of parking space resulting from the development of the practice fields.

Bessey Hall—Richard W. Pohl Conservatory—Renovation

May 1998 Budget \$745,500

July 1998 Budget \$765,500

Project Budget

	Revised Budget <u>May 1998</u>	Revised Budget <u>July 1998</u>
Construction Costs	\$ 581,686	\$ 581,686

Professional Fees	94,886	94,886
Fixed Equipment	5,900	25,900
Movable Equipment	3,795	3,795
Project Reserve	59,233	59,233
 TOTAL	 <u>\$ 745,500</u>	 <u>\$ 765,500</u>
Source of Funds:		
National Science Foundation	\$ 350,000	\$ 350,000
Facilities Overhead Use Allowance	270,000	270,000
General University Funds	96,500	116,500
Ag Experiment Station	29,000	29,000
	 <u>\$ 745,500</u>	 <u>\$ 765,500</u>

University officials requested approval of a revised project budget in the amount of \$765,500, an increase of \$20,000. The revised budget includes the installation of plant benches in the greenhouse. The additional funds will be provided by General University funds.

Agronomy—Plant Transformation Greenhouse

April 1998 Budget \$260,000

July 1998 Budget \$300,000

Project Budget

	<u>Initial Budget April 1998</u>	<u>Revised Budget July 1998</u>
Construction Costs	\$ 193,700	\$ 224,300
Professional Fees	39,103	35,865
Utility Extensions	9,250	10,750
Project Reserve	17,947	29,085
 TOTAL	 <u>\$ 260,000</u>	 <u>\$ 300,000</u>
 Source of Funds:		
Iowa Soybean Promotion Board	\$ 150,000	\$ 150,000
Agriculture Experiment Station	60,000	100,000
Iowa Corn Promotion Board	50,000	50,000
	 <u>\$ 260,000</u>	 <u>\$ 300,000</u>

University officials requested approval of a revised project budget in the amount of \$300,000, an increase of \$40,000, which reflects an increase in the project scope. The overall size of the greenhouse will be expanded from 3,360 square feet to 3,780 square feet which will provide additional research possibilities for the Department of Agronomy. In addition, the project will include installation of a more elaborate ventilation controller to improve the research infrastructure.

The additional funding for the project will be provided by the Agriculture Experiment Station.

* * * * *

University officials presented 13 projects with budgets of less than \$250,000. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

Amendments:

Livestock Infectious Disease Isolation Facility
RDG Bussard Dikis, Des Moines, Iowa

Amendment #1 \$16,422

University officials requested approval of Amendment #1 to the agreement in the amount of \$16,422. The amendment will provide compensation for the re-design of the facility as requested by the United States Department of Agriculture to address a number of concerns which included containment and operational issues and the number and size of the animal rooms. University officials indicated that the redesigned project will provide a more efficient design for the facility.

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

College of Design Auditorium Addition \$12,500
Baldwin White Architects, Des Moines, Iowa

CONSTRUCTION CONTRACTS

Utilities—Electric System Improvements—FY 1998, Fisher Theater \$20,516.26
Award to: Brown Brothers, Inc., Des Moines, Iowa
(3 bids received)

MOTION: Regent Ahrens moved to approve the Register of Capital Improvement Business Transactions for Iowa State University. Regent Kelly seconded the motion.
MOTION CARRIED UNANIMOUSLY.

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

University officials requested approval to enter into a new lease as lessor with BioForce Laboratory, Inc., for its use of 272 square feet of business incubator space located in the Iowa State Innovation System at the rate of \$325 per month (\$14.34 per square foot, \$3,900 per year) for a six-month period.

University officials requested approval to renew its 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 (\$20 per square foot, \$1,860 per year) for a one-year period.

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

MOTION CARRIED.

YEAR 2000 COMPLIANCE REPORT. The Board Office recommended the Board receive the status report on Year 2000 compliance.

A University Year 2000 Compliance Committee, representing major units within the university, is coordinating activities for the transition to year 2000.

Computer Systems

University officials report that 93.4 percent of its central business systems are compliant as compared with 34 percent in August of 1997.

Central business systems will be tested during the 1998-99 fiscal year and complete and total compliance will be achieved by June 1999.

Central administrative systems are now more than 80 percent compliant. Programming, software and testing are scheduled to be completed by June 30, 1999.

Thirty-nine vendors have been contacted concerning the compliance of their products with Year 2000 requirements. Ninety-five percent of those vendors are in compliance with the university's requirements. The remaining five percent provide products which will be replaced beginning in January 1999.

ADP-supported personal computers have been under review since January of this year. Of 1400 PCs, 850 are compliant and the remainder are expected to be compliant by the end of this calendar year.

Many students and employees maintain their own PCs. The institution is providing seminars and information on the World Wide Web to assist these individuals in bringing their systems into compliance.

The computation center will retire the mainframe and move to distributed computing equipment, saving \$300,000 to \$400,000 in updating costs. Parks Library remains on the mainframe but is expected to be off by December 1998, at which time the mainframe will be retired.

Facilities

It appears that most telecommunications systems at the university are in compliance and the remainder of the systems are expected to be in compliance by the end of this calendar year.

Time and date sensitive products have been inventoried and categorized according to its status of Year 2000 compliance. Major building control systems and utility plant control systems are determined to be compliant by working with vendors or actual field testing.

Vice President Madden presented highlights of the report for the Regents. He said university officials believe they have addressed the major concerns. Many of the systems are being tested. His biggest concern is the federal government. There are many places where the university interfaces with the federal government including student aid programs.

ACTION: President Newlin stated the Board received the status report on Year 2000 compliance, by general consent.

ISU RESIDENCE SYSTEM MASTER PLAN. The Board Office recommended the Board approve the conceptual framework of the university's residence system master plan with the understanding that specific projects or phases will be brought forward for approval by the Board in accordance with the Board's capital planning procedures.

In October 1996 the Board received a report from Iowa State University regarding its intentions to develop a residence system strategic plan. The university and its consultants have completed the plan, which concludes that the types of current, on-campus student housing space do not meet student demand and that the existing dining facilities are obsolete. The most critical need is for apartment space for single students. University officials presented the plan, which includes construction of new space and renovation and demolition of existing facilities, at the June 1998 Board meeting. At that time the university received authorization from the Board to proceed with planning the Phase 1 project - Hawthorn Court.

The master plan proposes the addition of 2,960 apartment beds and 960 suite-style beds, renovation of approximately 630,000 square feet of existing traditional dormitory and suite-style space (2,131 beds), and demolition of approximately 700,000 square feet of deteriorating dormitory facilities with more than 3,000 beds. In addition, the master plan includes construction of two new dining centers and a retail food service facility, and closure of three food service facilities. The plan is divided into two components: projects to be undertaken from FY 1999 through FY 2001, and future master plan projects. The Maple Hall Renovation project previously approved by the Board is included in the plan.

The FY 1999 - FY 2001 component of the plan includes new construction of 2,320 beds, renovation of 444,320 square feet with 1,577 beds, and demolition of 226,520 square feet with 894 beds. The estimated total cost of this component, including new construction and renovation, is \$105.4 million. Of this amount approximately \$95.1 million would be financed by bonded debt. Since the June meeting university officials have worked and will continue to work with the Board Office and the Board's financial advisor and bond counsel to develop more fully the financing plan and ensure that it is financially feasible. The financing plan for each project will be reviewed in detail prior to requesting Board approval of that project.

Phase 1 of the master plan, Hawthorn Court, will begin to meet the most critical housing need. This phase will construct apartment units with up to 1,000 beds and a new retail food service building on the north side of campus. The estimated Phase I project cost is \$28.6 million. University officials hope to complete a portion of these facilities for occupancy in the fall of 1999.

A tour of residence system facilities took place the morning of July 15, 1998. Residence System Director Randy Alexander facilitated the tour. He stated that the physical infrastructure needs upgrading. There is a \$90 million deferred maintenance problem in the residence system. Market surveys have been done to match the kind of housing the university provides with the kind of housing students want. There is an estimated shortfall of 2,000 apartment-style beds and 1,900 suite style options as well as 3,600 too many traditional dormitory beds. The consultants who performed the residence system study informed university officials that not a single student said housing was a factor in coming to Iowa State University. University officials believe that housing is a serious recruitment issue. Retention issues, including the development of learning communities, were also considerations. The university's residence system contains architecture of 50-70 years ago that does not lend itself to recruitment and retention initiatives.

The Regents took a walking tour of the Friley Hall area. They viewed the 1938 and 1927 sections of Friley Hall and the south end of Helser Hall. The two sections of Friley that were proposed to be demolished were identified for the Regents. In the east dining room of Friley Hall, the Regents were informed that the first occupants were members of the U.S. Navy. Director Alexander stated that the layout and design had not changed since the Navy left. University officials proposed to build a community center at that location. The new community center was scheduled to be opened in the fall of 2000.

Director Alexander stated that university officials are beginning to bring academic activities into residence halls including computers and advisors to create both a living and a learning environment.

Director Alexander informed the Regents that there are 7 sections to Friley Hall, built from 1927 to 1984. He pointed out some of the deferred maintenance issues in the building. There are 50 to 60 students in a typical house. Each house has its own governance system and rules. Houses have their own identities. He noted that parking is worse on Union Drive than in any other student area on campus. He identified the 1927 section of Friley Hall that was proposed to be torn down and pointed out some of the challenges that would be faced in renovating the area. There are three different levels in the section. All of the walls are load bearing walls. Because of the single pane windows, there are problems with condensation. The furniture is fixed and cannot be moved.

At Helser Hall, the Regents were informed that the north section and south section were built in 1963 and 1957 respectively. The ceilings are low. It is impossible to get ductwork into the facility for air conditioning. University officials do not feel the facility would be worth saving. Architecturally it is not one of the residence system's finest buildings.

The Regents reviewed a map of the residence system with the proposed changes to occur in the remodeling/renovation efforts. Director Alexander stated that the capacity to house students in the Union Drive neighborhood would go down slightly. Density would be reduced by about 300 students. The first 3 years would involve demolition of the north section of Helser and the 1938 section of Friley as well as the construction of the new facility.

President Newlin asked about renovation of State Gym. Vice President Madden stated that a project budget of \$1.1 million was being spent to renovate the old gym. He noted that each of the housing areas for lower division students would have a recreation area nearby.

The Regents next took a driving tour of Hawthorn Court which is located a short distance from the main campus. Most of the current housing units are 2 bedroom apartments. Those facilities would eventually be demolished. When Hawthorn Court is closed, student families will be housed in Schilleter and University Villages.

This is the location for the proposed apartments for upper division students. Director Alexander stated that all construction of Hawthorn Court would be completed in the first 3 years of the master plan. The Pammel Grocery would be relocated. There will still be a grocery facility for students in this area.

Vice President Madden noted that university officials would modify the bus schedule if there is demand to serve the area more effectively. Vice President Hill noted that the bus system is very good.

The Regents proceeded to drive through the old Richardson Court area which includes Freeman Hall which was built in 1916 and which would be demolished. The location will then be the site of the new community center. Oak Elm Hall will be renovated with residence system annual operating budget funds. In the center of the Quad was the university's smallest residence hall, Fisher-Nickell, which holds 48 students. It will eventually be demolished. Buchanan Hall, which offers graduate student housing, will be renovated over the next 4 years with annual dollars; there will be no borrowing.

Director Alexander stated that the distance between campus and the Towers is perceived by freshmen and parents as a problem. The Towers were built in the late-1960s. Knapp Hall, one of the Towers buildings, has concrete falling from the building. The master plan includes demolition of the building and replacement with town houses. The Towers site houses 2,300 students currently and would drop significantly with the new construction. The first demolition is not scheduled to take place in the first 3 years of the master plan although it could take place during year 4 depending on how the plan is proceeding.

After touring Knapp Hall the Regents met with university officials in the commons area for refreshments and a question and answer period.

Director Alexander stated that students today often bring televisions, refrigerators and computers with them to campus. He noted that bond counsel was pleased to see the university stepping up to address the housing issue. University officials still want its residence system to be an affordable option to students. Typically students today have more money available to them.

In response to a question about anticipated percentage increases in rates, Vice President Madden stated that university officials project a 5 percent increase in room rates between now and 2004, and a 3.8 percent increase in food from now forward. He noted that the renovated housing and suites will have a premium cost to them. Maple Hall will be air conditioned with individual controls in the rooms.

In response to a question posed by Regent Kelly, President Jischke stated that Iowa State University officials have been studying the parking system on campus since he has been at the university. The university meets the demand for parking but people would like more convenient parking. When university officials price the cost to provide parking, a conservative construction estimate is \$10,000/space. The typical parking fee is \$50/year.

Regent Kelly asked if university officials had considered substantially increasing the parking fee. Vice President Madden responded that the university's parking advisory

committee had recommended no increase for this fiscal year. University officials recommended to the Board a 5 percent increase.

Vice President Madden stated that on the staff side, AFSCME points out that employees at other state facilities pay nothing to park. He noted that at University Hospitals the patients bring in revenues from utilizing the parking ramps. Most of Iowa State University's parkers are on the campus all the time so it is a very different environment.

President Jischke said he believe the university will eventually have to find higher density parking on the campus. The last couple of years university officials have raised the rates dramatically.

Vice President Madden stated that the university runs shuttle buses from Iowa State Center to the campus for those who wish to park at the Center.

Director Alexander noted that the Towers parking offers the best parking for student housing.

Vice President Hill stated that Director Alexander and his staff are the reason that many students do well when they get to the campus because the residence facilities are clean, the food is good and nutritious, etc.

Director Alexander stated that he and his staff are very excited about the residence system master plan.

Vice President Madden stated that later in the meeting the Regents would be asked to approve the preliminary resolution for the issuance for the first bonding indebtedness for the residence system master plan. The university is seeking proposals for design of the apartment units.

Regent Kelly stated that university officials had done a marvelous job in their vision for the residence system. President Jischke stated that many people had participated in this effort.

President Jischke stated that university officials would also ask the Board's approval at this meeting for the conceptual framework of the residence system master plan including the five neighborhoods, apartments and suite-style accommodations with the understanding that specific projects or phases will be brought forward for Board approval in accordance with the Board's capital planning procedures.

Director Alexander stated that the Wallace and Wilson Halls Commons would become the community center for the Towers neighborhood.

President Jischke noted that Knapp Hall was chosen as a building to be torn down because of the rust weeping on the exterior of the building.

Later in the Board meeting, President Jischke reviewed with the Regents the major presentation that had taken place at last month's Board meeting, and the tour that they had taken that morning. He reiterated that as each project comes forward for financing, it will be brought to the Board for its approval.

Regent Ahrens referred to the "planned reductions in overhead expenses in the next 3 years" and asked from what areas those reductions would come. Director Alexander responded that the reductions would come from a variety of areas. There would be a

significant reduction in staff. Residence system officials were already not filling positions as they become open. As apartment beds are built there will be less staff required for those facilities. Maple Hall renovation results in the reduction of three custodial positions.

Regent Ahrens asked that university officials ensure that safety and sanitary issues remain a top priority. She noted that problems were experienced on her dormitory floor getting custodial staff up there.

Director Alexander stated that students would see improved custodial service. In the suites the bathrooms will typically be cleaned once a week. Residence halls will continue to receive daily cleaning in the rest rooms.

MOTION: Regent Fisher moved to approve the conceptual framework of the university's residence system master plan with the understanding that specific projects or phases will be brought forward for approval by the Board in accordance with the Board's capital planning procedures. Regent Kennedy 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 State University.

President Jischke introduced two newly-elected student government leaders who were in attendance at the Board of Regents meeting: Bryan Burkhardt and Jamal White.

Mr. Burkhardt stated that he very much looked forward to meeting with the Regents and discussing issues with them in the next year.

Mr. White stated that he looked forward to a good working relationship with the Regents over the next year.

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Tuesday and Wednesday, July 14 and 15, 1998.

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

Register of Personnel Changes for May and June 1998.

Approve the change of name of the Office of Affirmative Action Programs to Office of Compliance and Equity Management, effective fiscal year 1999.

The following actions were presented for the Board's information:

Appointment of Jane Juchems as Interim Director, Human Resource Services and Interim Resident Director effective July 1, 1998, at an annual salary of \$61,900.

Appointment of John D. Mixsell as Academic Administrative Services Coordinator, effective July 1, 1998, at an annual salary of \$75,500.

ACTION: The university's personnel transactions were approved, as presented, on the consent docket.

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

PROJECT DESCRIPTIONS AND BUDGETS

Baker Hall—Building Envelope

Source of Funds: Building Repair Funds

May 1998 Budget \$520,000

June 1998 Budget \$558,000

Project Budget

	Initial Budget <u>May 1998</u>	Revised Budget <u>June 1998</u>
Contracts/Purchase Orders	\$ 434,000	\$ 482,000
Consultant/Design Services	49,000	53,000
Contingencies	<u>37,000</u>	<u>23,000</u>
 TOTAL	 <u>\$ 520,000</u>	 <u>\$ 558,000</u>

Five bids were received for the roofing construction contract on June 4, 1998. The low base proposal was within the engineering estimate but the recommended award could not be made within the available project budget.

* * * *

University officials presented five 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

President's Residence—Accessibility Compliance

\$6,500

Adamson-Clark Landscape Architecture, West Des Moines, IA

University officials requested approval to enter into an agreement with Adamson-Clark Landscape Architecture to provide design services for the exterior ramp. The agreement will provide design, construction coordination and landscaping services. The agreement provides for a total fee of \$6,500.

Amendments:

Telecommunication System

Amendment #2 \$12,356

Ament Engineering Associates, Cedar Rapids, Iowa

University officials requested approval of Amendment #2 to the agreement in the amount of \$12,356. The amendment will provide construction observation services for the installation of the telecommunications system in additional campus buildings which were not included in the original scope of services of the agreement. In addition, the amendment will provide engineering and construction administration services for the installation of the Trunked Radio System and Public Safety Answering Point.

Amendment #2 will not result in an increase in the total project budget.

CONSTRUCTION CONTRACTS

Baker Hall—Building Envelope (Windows and Walls)

\$371,860

Award to: Paul G. Christenson Construction Company, Cedar Falls, IA
(1 bid received)

Baker Hall—Building Envelope (Roofing) and Industrial Technology
Center Roof—Phase II

\$220,600

Award to: Pries Roofing, LaPorte City, IA
(5 bids received)

MOTION:

Regent Kennedy moved to approve the university's capital register, as presented. Regent Kelly seconded the motion. MOTION CARRIED UNANIMOUSLY.

LEASE OF PROPERTY. The Board Office recommended the Board approve the lease, as presented.

University officials requested approval to enter into a lease agreement as lessee with TST First Venture for the university's continued use of 3,202 square feet of space located at 2619 Hudson Road, Cedar Falls, Iowa, at the rate of \$4,269 per month (\$16 per square foot, \$51,228 per year) for a one-year period.

MOTION:

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

MOTION CARRIED.

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 the Iowa School for the Deaf was transacted on Tuesday and Wednesday, July 14 and 15, 1998.

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

Register of Personnel Changes for June 1998.

ACTION: The personnel transactions were approved, as presented, on the consent docket.

STATUS REPORT ON YEAR 2000 COMPLIANCE. The Board Office recommended the Board receive the status report on year 2000 compliance.

The Banking Committee, at its April 1998 meeting, requested that each institution provide, in the next few months, a status report on Year 2000 compliance. Iowa School for the Deaf is in the process of completing an internal review of its systems and operations with the goal of achieving Year 2000 compliance by the summer of 1999. The school has already made significant progress in achieving this goal for its computer systems, software and other date sensitive products. The internal review involves software, operations, personal computers, telephone, and other date sensitive products including copy machines and the visual alert early warning systems.

Purchase orders for new products which may be time or date sensitive now include a paragraph notifying the vendor that by accepting and delivering the product, the vendor expressly represents and warrants that the product supplied will be year 2000 compliant.

Director Heuer reviewed the report with the Regents. He said the school is making progress and he feels they are on target.

ACTION: President Newlin stated the Board received the status report on year 2000 compliance, by general consent.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to the Iowa School for the Deaf.

Superintendent Johnson stated that he would appreciate having the same opportunity for a one year waiver of the requirement of completion of one year of employment for participation in the Educational Assistance Program for faculty at Iowa School for the Deaf as the Board approved for the Iowa Braille and Sight Saving School at this meeting.

MOTION:

Regent Kelly moved to approve a one year waiver of the requirement of completion of one year of employment for participation in the Educational Assistance Program for faculty at Iowa School for the Deaf. Regent Fisher seconded the motion.
MOTION CARRIED UNANIMOUSLY.

President Newlin directed Superintendent Johnson to provide Executive Director Stork with a written policy.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Tuesday and Wednesday, July 14 and 15, 1998.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office reported that the Register of Personnel Changes had not been received and would be reported in September.

EDUCATIONAL ASSISTANCE POLICY. The Board Office recommended the Board approve a one year waiver of the requirement of completion of one year of employment for participation in the Educational Assistance Program for Iowa Braille and Sight Saving School teachers.

School officials are finding it difficult to recruit and hire teachers for three current vacancies. Its recruitment efforts have not found teachers qualified by Iowa certification as special education teachers and qualified to teach the visually impaired. The school can recruit and hire well qualified teachers possessing only the special education certification. It would like to hire these teachers and begin immediately to provide them educational assistance. The assistance would be for participation in the University of Alabama program that provides professional preparation for teaching visually impaired students. The school cannot provide the assistance pursuant to current policy which requires one year of service for eligibility for educational assistance.

MOTION: Regent Kennedy moved to approve a one year waiver of the requirement of completion of one year of employment for participation in the Educational Assistance Program for Iowa Braille and Sight Saving School teachers. Regent Ahrens 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.

ADJOURNMENT.

The meeting of the State Board of Regents adjourned at 3:15 p.m., on Wednesday, July 15, 1998.

Frank J. Stork
Executive Director