

The State Board of Regents met on Wednesday, June 19, 1996, at the University of Northern Iowa. The following were in attendance:

	<u>June 19</u>
<u>Members of State Board of Regents</u>	
Mr. Newlin, President	All sessions
Mr. Dorr	All sessions
Mrs. Kennedy	All sessions
Mr. Lande	All sessions
Ms. Mahood	All sessions
Mrs. Pellett	All sessions
Mrs. Smith	Excused
Dr. Tyrrell	All sessions
 <u>Office of the State Board of Regents</u>	
Executive Director Richey	All sessions
Deputy Executive Director Barak	All sessions
Director Houseworth	All sessions
Director Williams	All sessions
Associate Director O'Rourke	All sessions
Associate Director Racki	All sessions
Research Associate Tiegs	All sessions
Minutes Secretary Briggie	All sessions
 <u>State University of Iowa</u>	
President Coleman	All sessions
Interim Provost Becker	All sessions
Vice President Manasse	All sessions
Vice President True	All sessions
Associate Vice President Small	All sessions
Director Yanecek	All sessions
Legislative Counsel Stork	All sessions
 <u>Iowa State University</u>	
President Jischke	All sessions
Provost Kozak	All sessions
Vice President Madden	All sessions
Assistant to the President Mukerjea	All sessions
Assistant Vice President Espinoza	All sessions
Director Bradley	All sessions
Interim Director Anderson	All sessions
Assistant Director Steinke	All sessions
 <u>University of Northern Iowa</u>	
President Koob	All sessions
Provost Marlin	All sessions
Vice President Conner	All sessions
Vice President Follon	All sessions
Director Chilcott	All sessions
 <u>Iowa School for the Deaf</u>	
Superintendent Johnson	All sessions
Director Heuer	All sessions
 <u>Iowa Braille and Sight Saving School</u>	
Superintendent Thurman	All sessions
Director Woodward	All sessions

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, June 19, 1996.

APPROVAL OF MINUTES OF BOARD MEETING OF MAY 15-16, 1996. The Board Office recommended the Board approve the Minutes, as written.

President Newlin asked for corrections, if any, to the Minutes.

MOTION: Regent Kennedy moved to approve the Minutes of the May 15-16, 1996, meeting, as written. Regent Mahood seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

Approve the Board Meetings Schedule;

Approve the Iowa Braille and Sight Saving School school calendar for the 1996-1997 school year;

Refer the post-audit report on Rhetoric and Professional Communication at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the proposal for a B.A. major and minor in Performing Arts at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Approve the request to change the name of the major in General Studies to Interdisciplinary Graduate Studies at Iowa State University;

Refer the request to discontinue the Master of Science and Ph.D. in Nuclear Engineering at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the request to discontinue the Master of Engineering degree in Electrical Engineering and in Computer Engineering at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the request to discontinue the undergraduate curriculum in teaching prekindergarten-kindergarten children at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the proposed interdepartmental undergraduate major in Environmental Science at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the proposed course changes at the University of Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; and

Refer the request for name change of the Department of Educational Administration and Counseling at the University of Northern Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

ACTION: President Newlin stated the Board approved the consent docket, as presented, by general consent.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a)
Curricular Changes at the University of Northern Iowa. The Board Office recommended the Board approve the University of Northern Iowa proposed curriculum changes and the proposed new programs except to defer action on the proposed B.A. in Physical Education to allow further discussion between the Board Office and the university. All of the new programs should be approved subject to the approval of the Iowa Coordinating Council for Post-High School Education.

University of Northern Iowa officials submitted proposed curriculum changes for Board of Regents approval. The request was referred last month to the Board Office and the Interinstitutional Committee on Educational Coordination and both recommended the proposed curriculum changes.

The proposed changes included six new programs:

- Educational Technology - MA
- Physical Education Major - BA
- Modern Language Dual Major - BA
- Modern Language Dual Major - Teaching - BA
- Major in Biology - MS
- Major in Computer Science - MS

The proposed changes include seven new minor programs:

- Marketing
- Leisure Services

Inter-American Studies
Leadership Studies
Communication/Public Relations
Meteorology
Nutrition and Food Science

Two majors were proposed for discontinuance:

Major in Computer Applications in Education - MAE
Major in Educational Technology - MAE

Provost Marlin stated that University of Northern Iowa officials removed the B.A. in Physical Education from the proposed curricular changes.

MOTION: Regent Kennedy moved to approve the University of Northern Iowa proposed curriculum changes and the proposed new programs with the exception of the proposed B.A. in Physical Education, subject to the approval of the Iowa Coordinating Council for Post-High School Education. Regent Mahood seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

(b) Discontinuance of M.S. and Ph.D. in Botany at the University of Iowa. The Board Office recommended the Board approve the discontinuance of the M.S. and Ph.D. programs in Botany at the University of Iowa.

University of Iowa officials proposed to discontinue the M.S. and Ph.D. programs in Botany. This request was referred last month to the Board Office and the Interinstitutional Committee on Educational Coordination and both recommended the discontinuance of these graduate programs.

Several years ago the Board of Regents approved the merger of the Botany and Biology Departments. As a further step in this action, University of Iowa officials requested approval to close the M.S. and Ph.D. programs in Botany when the currently- enrolled students complete their degrees. The M.S. and Ph.D. in Biology will be retained.

The M.S. and Ph.D. degrees in Botany are currently offered at Iowa State University. Any savings resulting from this action will be reallocated.

MOTION: Regent Mahood moved to approve the discontinuance of the M.S. and Ph.D. programs in Botany at the University of Iowa. Regent Pellett seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

POLICY ON NEW PROGRAM LOCATIONS.

ACTION: President Newlin asked that the Board delay consideration of this item to allow more time for discussion.

ANNUAL GOVERNANCE REPORT ON INTERNATIONAL AGREEMENTS. The Board Office recommended the Board (1) receive the annual governance report on international agreements, (2) request that all international agreements continue to delineate financial obligations of the participating institutions, and (3) request a report from the universities on the foundations that have had to be established in order to implement some of these agreements.

This report highlighted international activities for the 1994-1995 academic year.

International agreements widen the educational opportunities available in the Regent universities by facilitating the movement of students, faculty, and staff to and from cooperating institutions in other parts of the world.

Student benefits derived from international agreements include the opportunities to increase language skills, to study other cultures, to travel, and to engage in dialogs to forge future understandings.

For faculty and staff, international activities provide opportunities to exchange data and research with colleagues in other institutions around the world, to provide leadership in seeking solutions to some of the world's pressing needs, and to promote cooperation and understanding among the earth's citizens.

It was recently brought to the attention of the Board Office that some of the international agreements have required the formation of a foundation to funnel project funds. These foundations should be reported to the Board of Regents.

The institutions with whom the Regent universities have agreements are in 65 sovereign nations and the U.S. territory of Puerto Rico. The following table presents the number of nations in various world regions that are active in agreements with Regent institutions and the number of agreements reported in that region.

	Nations	Agreements
Europe	33	132
Asia	13	51
The American Continents	10	23*
Africa	7	13
Oceania	2	10
Worldwide, not site specific		4
Total	65	233

*Includes the agreement with the University of Puerto Rico, Rio Piedras.

Of the 233 agreements, 144 agreements were active with one-way or reciprocal visitations of students, faculty, or staff between institutions.

There were 63 agreements without any physical exchange of personnel. Of these 63 "inactive" agreements, approximately 25 agreements experienced activities such as an exchange of letters and papers, collaboration on books and other research, and joint applications for grants to fund future projects.

During 1994-1995, 26 agreements were "proposed", that is, in various stages of being negotiated as agreements.

Three agreements will not be renewed when the current agreement expires.

There has been a significant increase in the number of international agreements reported over the past several years (from 131 in 1989-90 to 233 in 1994-95). Part of the increase occurred in response to the Board's request that the report be expanded to include all international agreements, including those with U.S. federal agencies. The count also includes proposed agreements that the universities are actively pursuing; this count reflects better the universities' action in international activities.

Funding for activities under these agreements come from a variety of sources: the home institution's funds, the host institution's funds, federal funds, corporate and private grants and gifts, and individual participants. Funding for many projects are negotiated on a project-by-project basis. Under the terms of some agreements, the home institution assumes responsibilities for sending a participant and the host institution assists with living expenses.

For many students involved in international study, tuition is paid to the home institution while room and board are paid to the host institution.

Scholarships are available to students to defray the costs of studying abroad. Students visiting Regent institutions under some agreements are eligible for assistantships and stipends to assist them with living expenses.

In 1994-1995, the University of Iowa reported that 212 students participated in study abroad opportunities, Iowa State University reported 281 students studied abroad, and the University of Northern Iowa reported 798 students participating in its study abroad activities.

Provost Kozak stated that the progress made in the number of opportunities to students for international education was exemplified by the range of agreements arranged by faculty. He noted the emphasis in areas that speak to the Iowa State University strategic plan.

Regent Dorr asked whether the numbers included students who pay their entire way or consisted only of the students who are given assistance in some manner by the university.

Provost Kozak responded that students are basically responsible for their own travel. If the question was one of curricular credit, he said it depends on the agreement between Iowa State University and the host institution. There is a formal process by which a student makes his/her interest known in a program. The development of international programs is almost always a function of faculty interest in developing a particular strength in students. If the question was whether students are principally responsible for their educational experience in a foreign setting, he said the answer was yes.

Regent Dorr noted that at the University of Northern Iowa a much larger number of students were involved in international opportunities. He acknowledged that the international program at the University of Northern Iowa was much more focused. He asked whether the students at Iowa State University and the University of Iowa who were involved in international programs were doing so on their own initiative or because the university was making it possible for them to do so.

Provost Kozak responded that Iowa State University encourages students to take part in international educational opportunities although the students have to pay their own expenses.

Regent Dorr questioned the disparity in the amount of student involvement in international educational opportunities between the three universities. Provost Kozak stated that in terms of Research I universities and the number of students involved in international programs, Iowa State University was certainly in the top 20. He said university officials realize this is an important area that needs to be stressed. Regent Dorr was correct in pointing out that much more could be done, and university officials were trying to do more to make that happen.

Provost Marlin reviewed with the Regents the information provided for the University of Northern Iowa, noting that today's students were expected to compete in an increasingly global society. She stated that university officials were particularly proud that the University of Northern Iowa was rated #1 in the nation for a master's-level institution in its offering of international opportunities to students.

Interim Provost Becker stated that one issue concerning the ability of students to participate in international programs is the cost. Faculty work hard to get scholarship money for students. He said Professor McNulty has been successful in that area.

Regent Tyrrell stated that he had the privilege of traveling to Russia with representatives of the University of Northern Iowa. He said it was a wonderful experience and that he spent part of the time there becoming familiar with the university's international program in that area. Since his return, he has talked with

each Regent president about the need to better coordinate Regent programs with an emphasis on international travel. University officials need to continue to highlight the opportunities and address the challenge of Regent Dorr to provide greater opportunities for students.

ACTION: President Newlin stated the Board, by general consent, (1) received the annual governance report on international agreements, (2) requested that all international agreements continue to delineate financial obligations of the participating institutions, and (3) requested a report from the universities on the foundations that have had to be established in order to implement some of these agreements.

FINAL REPORT ON LEGISLATIVE ISSUES. The Board Office recommended the Board receive the final report on the 1996 legislative session.

The Governor took action on all the bills from the 1996 legislative session with several line item vetoes on the appropriations bills.

General Fund Operating and Salary Appropriations

The FY 1997 general fund operating appropriations for all budget units under the control of the Board of Regents total \$588.4 million and are contained in HF 2477 (Education Appropriation Bill), SF 2195 (Phase III ICN), HF 2472 (Justice System Appropriations), SF 2063 (School Improvement Technology Program), SF 2470 (Standing and Other Appropriations), and HF 2114 (FY 1996 Supplemental Appropriations).

Appropriations for salary increases are included in a separate bill (HF 2497); the Regents portion of salary adjustment appropriations was estimated at \$22.3 million less adjustments for reductions for health insurance.

The total Regents appropriation for FY 1997 was estimated at \$610.7 million including salary appropriations and tuition replacement; this figure was subject to change because of possible shortfalls in salary adjustment funds.

The FY 1997 Regents appropriation increase including estimated salary appropriations and tuition replacement was 4.6 percent; other FY 1997 appropriation increases were 4.2 percent for community colleges, 5.7 percent for K-12 and 8.4 percent for Iowa Tuition Grants.

Education Appropriations (HF 2477)

The Education Appropriations legislation (HF 2477) included \$582.0 million for operation of the Regents system, which was \$630,162 less than the Governor's recommendation.

Although the University of Northern Iowa's appropriation in this bill reflected a \$328,155 reduction from the Governor's recommendation, the bill states that it is the intent of the

General Assembly that \$328,155 of the \$500,000 appropriated in SF 2195 (Phase III ICN) for the Center for Educational Technology shall be considered as general university funds.

Tuition replacement was \$337,007 below the Governor's recommendation, but the appropriation amount was consistent with the Board's revised request; the \$26,984,350 appropriated plus the estimated carryforward from FY 1996 of \$505,586 represented the estimated FY 1997 tuition replacement need of \$27,489,936.

The Governor's line item veto included the following sections of the bill which would have required the Board of Regents to:

- Explore options relating to locating the graduate centers under its control within the appropriate campuses of the community college system;
- Use revenues received from indirect cost reimbursements above the FY 1997 original budget approved by the Board of Regents only for building repair, deferred maintenance or fire safety;
- Submit an annual report to the General Assembly and the Legislative Fiscal Bureau on the facilities overhead use allowance and the amount of building and equipment use allowances of the overall indirect cost recovery on federally sponsored research programs;
- Removal of exceptions for purchases from Iowa Prison Industries in Section 904.808, subsection 1 of the *Code of Iowa*.

Salary Appropriations (HF 2497)

This bill appropriated \$27.0 million, net of statewide group health insurance adjustments, for FY 1997 salary adjustments averaging four percent for state agencies, including the Board of Regents.

The Governor's stated policy in recommendations for salary policy was to fund fully the needs of the agencies and institutions for the approved pay policies for all general fund employees with the exception of those funded from indirect costs and federal support for the Agricultural Experiment Station and Cooperative Extension Service at Iowa State University.

The Regents portion of salary adjustment appropriations was estimated at \$22.3 million; this figure may change because of reductions related to state health insurance issues.

The allocation of salary funds will be completed by the Department of Management over the next several weeks.

Phase III ICN (SF 2195)

This bill included \$500,000 for the Center for Educational Technology at the University of Northern Iowa to coordinate staff development. (\$328,155 of this appropriation is to be included as part of the University of Northern Iowa's general university budget.)

Justice System Appropriations (HF 2472)

This bill included \$175,000 for the criminal justice program at the University of Northern Iowa.

School Improvement Technology Program (SF 2063)

This bill, which establishes a school improvement technology program and appropriated \$150 million over a five-year period to the Department of Education, included \$15,000 (minimum) for the University of Northern Iowa Price Laboratory School, the Iowa School for the Deaf and the Iowa Braille and Sight Saving School.

Standing and Other Appropriations (SF 2470)

This bill provided \$5.7 million in FY 1997 appropriations for Advanced Drug Development at the University of Iowa and the Institute for Physical Research and Technology and the Small Business Development Center at Iowa State University; the funding for these programs is at the same level recommended by the Governor (formerly SF 2443 - Economic Development Appropriations).

The Governor vetoed the section of the bill appropriating \$70,000 in FY 1997 from excess lottery revenues for infrastructure improvements at Lakeside Laboratory.

The Governor vetoed the section of the bill appropriating \$200,000 for FY 1996 to the State Hygienic Laboratory at the University of Iowa to conduct analyses of test samples for alcohol or illegal controlled substances (related bill did not pass).

FY 1996 Supplemental Appropriations (HF 2114)

This bill included appropriations of \$47,000 to each of the special schools in FY 1996 (\$45,000 for technology and \$2,000 for prescription reimbursements). The technology funding will be carried forward and spent in FY 1997.

Capital Appropriations (HF 2421)

This bill included appropriations of \$66.1 million for FY 1997 - FY 1999 for the five highest building priorities of the Board of Regents plus the National Advanced Driving Simulator (NADS) building as recommended by Governor Branstad.

<u>Project</u>	<u>Total Appropriated Amount FY 1997 - FY 1999</u>
National Advanced Driving Simulator (SUI)	\$ 4.3 million
School of Music Classroom Bldg./Performing Arts Center (UNI)	6.5 million
Intensive Livestock Research Facilities (ISU)	15.3 million
Biological Sciences Renovation/Addition, Phase 1 (SUI)	14.9 million
Engineering Teaching and Research Complex, Phase 1 (ISU)	11.0 million
Engineering Modernization/Addition (SUI)	<u>14.1 million</u>
TOTAL	<u>\$66.1 million</u>

The Board is authorized, effective July 1, 1996, to enter into contracts for the full cost of the projects for which appropriations are made for FY 1997 - FY 1999; construction contracts for all projects will thus be able to be awarded in FY 1997.

The State Board of Regents may use any available resources for planning the renovation of Lang Hall at the University of Northern Iowa.

Agriculture Appropriations (SF 2446)

This bill provided \$200,000 from the general appropriation to the Department of Agriculture to be allocated to Iowa State University for purposes of training commercial pesticide applicators.

The bill provides an appropriation from the Organic Nutrient Management Fund for FY 1997 to Iowa State University to support odor control applications of animal feeding operations, including confinement feeding operations regulated by the department of natural resources.

The following items were vetoed by the Governor:

- \$50,000 to support a person connected with USDA who engages in animal control.
- \$25,000 to support multiflora rose eradication research and projects.
- \$80,000 to sponsor, in cooperation with the farm section of the Attorney General's Office and assistance by the Department of Agriculture and Iowa commodity organizations, an Iowa agriculture 2000 conference for independent agricultural producers and other persons interested in the future of Iowa agriculture.

Other Legislative Bills

HF 2416, which appropriates FY 1997 funds to various state departments and agencies including the auditor, departments of commerce, general services, management, personnel, revenue and finance, IPERS, secretary of state and treasurer of state, requires the Department of Personnel to report:

- Semi-annually to the Joint Appropriations Subcommittee on Administration and Regulation concerning the number of vacancies in existing full-time equivalent positions and the average time taken to fill the vacancies; and
- Annually to the subcommittee on the number of private consultant contracts of one year or more which are entered into or extended each year by the departments and agencies of the state.

Mr. Richey stated that the Governor's action was completed. The appropriations for the Regent institutions were close to the Governor's original recommendations. He said the Governor exercised his veto authority to remove provisions that were considerably bothersome to the Regents. The Regents would be provided with progress reports in July and September. If the amount of final appropriations are not at the level required to finance state salary policy, the Board Office would return to the Board next month with a possible request for supplemental appropriations.

ACTION: President Newlin stated the Board received the final report on the 1996 legislative session, by general consent.

REVISED PRELIMINARY GENERAL FUND OPERATING AND ATHLETIC BUDGETS FOR FISCAL YEAR 1997. The Board Office recommended the Board approve the FY

1997 preliminary general fund operating budgets for the Regent institutions with the understanding that the final operating budgets presented in July will be adjusted to reflect allocations of appropriations by the Department of Management for salary increases.

The preliminary operating budgets, initially considered by the Board in May, were presented again in June in order to give the Board an additional month for review and discussion of the institutional budgets for the fiscal year beginning July 1, 1996. The budgets of the institutions cannot be finalized until allocations of salary adjustment funds are made by the Department of Management.

The preliminary budgets submitted in May, which were developed by the institutions based on the Board's and institutions' approved strategic plans as well as the actions of the Governor and General Assembly, were revised based on the Governor's action on the appropriations bills affecting the Regents and updated revenue and expenditure estimates.

Following approval of the revised preliminary operating budgets in June and receipt of salary adjustment funds, institutional officials will determine specific salaries for each staff member and allocate funding to colleges, academic departments, support and administrative units.

The preliminary FY 1997 general fund operating budgets for the five Regent institutions total \$1.2 billion for FY 1997, an increase of 3.3 percent over the revised FY 1996 budgets.

FY 1997 state operating appropriations for the five Regent institutions, excluding tuition replacement, total \$582.2 million, an increase of perhaps 4.9 percent over FY 1996, depending on allocations of salary adjustment funds. State appropriation funding as approved by the legislature was at the same level as recommended by the Governor for the University of Iowa and Iowa State University, while state appropriations for the University of Northern Iowa, the Iowa School for the Deaf and the Iowa Braille and Sight Saving School were above the Governor's recommendation.

The general operating funds were distributed among the institutions as follows:

University of Iowa	\$ 751,142,840
Iowa State University	328,096,370
University of Northern Iowa	107,073,500
Iowa School for the Deaf	7,293,911
Iowa Braille and Sight Saving School	<u>4,162,158</u>
TOTAL	\$1,197,768,779

The final FY 1997 operating budgets presented to the Board in July will reflect restricted funds.

Increased state appropriations will be utilized for the following purposes at the Regent institutions:

	<u>Governor's Recommendation</u>	<u>Legislative Action</u>
<u>All Institutions</u>		
Salary Annualization	\$ 953,260	\$ 953,260
Library Inflation	1,119,511	1,119,511

SUI	Undergraduate Education	\$ 250,000	\$ 250,000	
	Opening New Buildings	250,000	0	
	Educational Computing	0	250,000	
	Supplemental Financial Aid	350,000	350,000	
	Bioscience Initiative	<u>500,000</u>	<u>500,000</u>	
	Total SUI	\$1,350,000	\$1,350,000	
ISU	Undergraduate Education	\$ 250,000	\$ 350,000	
	Healthy Livestock for Iowa	700,000	700,000	
	Pork and Beef Industry Centers	200,000	200,000	
	Community Development	<u>100,000</u>	<u>0</u>	
	Total ISU	\$1,250,000	\$1,250,000	
UNI	Undergraduate Education	\$ 250,000	\$ 421,845	
	Center for Educational Technology	500,000	500,000	*
	Criminal Justice Program	<u>0</u>	<u>175,000</u>	
	Total UNI	\$ 750,000	\$1,096,845	
ISD	Building Repairs	0	\$ 25,000	
	Technology Improvements	<u>0</u>	<u>60,000</u>	
	Total ISD	0	\$ 85,000	
IBSSS	Building Repairs	0	\$ 25,000	
	Technology Improvements	<u>0</u>	<u>60,000</u>	
	Total IBSSS	0	\$ 85,000	

* \$328,155 of this appropriation is considered general university funds.

Mr. Richey stated that the Board Office was trying to provide the Regents with more time for perusal of institutional budgets; therefore, the draft budgets were before them for a second time. The final detailed operating budgets would be considered by the Board in July. At that time there should be information available relative to salary funds which would be reflected in the final operating budgets.

Regent Dorr observed that the institutions had been provided with very good budget growth and that institutional officials should be pleased with what they had received from the legislature.

ACTION: President Newlin stated the Board approved the FY 1997 preliminary general fund operating budgets for the Regent institutions with the understanding that the final operating budgets presented in July will be adjusted to reflect allocations of appropriations by the Department of Management for salary increases, by general consent.

(a) University of Iowa. The Board Office recommended the Board (1) approve the FY 1997 preliminary general fund operating budget for the University of Iowa in the amount of \$751,142,840 and (2) approve rate increases, effective July 1, 1996, for the UIHC (3.0 percent), Psychiatric Hospital (4.0 percent), Hospital School (5.0 percent), and Hygienic Lab (2.0 percent).

The preliminary FY 1997 general fund operating budget for the University of Iowa of \$751,142,840 was 3.2 percent greater than the revised FY 1996 budget. This budget was unchanged from the budget presented to the Board in May.

The funds were distributed among budget units as follows:

General University	\$339,281,864
University Hospital	372,838,000
Psychiatric Hospital	16,204,300
Hospital School	7,824,700
Oakdale Campus	3,808,687
Hygienic Laboratory	5,468,000
Family Practice	2,166,433
SCHS	723,300
Special Purpose	<u>2,827,556</u>
Total	\$751,142,840

The FY 1997 state appropriation of \$267,991,608 was 4.8 percent greater than FY 1996; total FY 1997 incremental funding was at the same level as recommended by the Governor.

Detailed information concerning the University of Iowa's preliminary budget can be found in the Minutes of the May 15-16, 1996, Board of Regents meeting, and is also on file in the Board Office.

President Coleman stated that the university's preliminary budget was unchanged from last month. She noted that university officials would be taking a hard look at tuition in the next month. They were waiting for the salary funding distribution figures which would be included in the budget presented to the Regents in July.

Regent Dorr asked what President Coleman meant when she stated that university officials would be taking a hard look at tuition. President Coleman responded that university officials would be monitoring the mix of in-state and out-of-state students to ensure that no overestimates of projections had been made.

MOTION: Regent Pellett moved to (1) approve the FY 1997 preliminary general fund operating budget for the University of Iowa in the amount of \$751,142,840 and (2) approve rate increases, effective July 1, 1996, for the UIHC (3.0 percent), Psychiatric Hospital (4.0 percent), Hospital School (5.0 percent), and Hygienic Lab (2.0 percent). Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Iowa State University. The Board Office recommended the Board approve the preliminary FY 1997 general fund operating budget for Iowa State University in the amount of \$328,096,370.

The preliminary FY 1997 general fund operating budget for Iowa State University of \$328,096,370 was 2.9 percent greater than the FY 1996 revised budget. The preliminary FY 1997 general fund operating budget was unchanged from the budget submitted to the Board in May.

The FY 1997 state appropriation of \$227,233,427 represented an increase of \$10.4 million (4.8 percent) over the FY 1996 revised budget. Total FY 1997 incremental state operating appropriations was at the same level as recommended by the Governor.

The funds were distributed among budget units as follows:

General University	\$256,687,367
Agriculture Experiment Station	36,623,188
Cooperative Extension	28,130,695
Institute for Physical Research and Technology	4,204,915
Special Purpose Appropriations	2,450,205
Total General Funds	<u>\$328,096,370</u>

Detailed information concerning Iowa State University's preliminary budget can be found in the Minutes of the May 15-16, 1996, Board of Regents meeting, and is also on file in the Board Office.

President Jischke referred to the \$12 million in new revenues and roughly \$6 million in reallocations.

Regent Dorr asked what benchmarks had been identified by which to measure undergraduate education efforts so that a year from now they would know whether or not they been successful.

President Jischke responded that the benchmarks related to basic enrollment goals, retention and graduation rates, job placement, and number of students studying abroad. He said benchmarks have been identified for the entire strategic plan and were presented to the Board when university officials presented the strategic plan a few months ago.

Regent Dorr questioned whether the benchmarks and the progress made in achieving the stated goals would be brought back to the Board annually. President Jischke responded that university officials intend to develop those measures every year. If the Regents would care to provide university officials with the opportunity to talk about the progress that had been made, they would be glad to do so.

The Regents agreed that they would like to perform such an annual review.

MOTION: Regent Pellett moved to approve the preliminary FY 1997 general fund operating budget for Iowa State University in the amount of \$328,096,370. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) University of Northern Iowa. The Board Office recommended the Board approve the preliminary FY 1997 general fund operating budget for the University of Northern Iowa in the amount of \$107,073,500.

The preliminary FY 1997 general fund operating budget for the University of Northern Iowa of \$107,073,500 was 4.8 percent greater than the FY 1996 revised budget. The preliminary FY 1997 general fund operating budget for the University of Northern Iowa was unchanged from the budget submitted to the Board in May.

The state appropriation of \$76,105,009 represented a \$4,271,238 increase (5.9 percent) over the FY 1996 revised budget. The appropriation adopted by the legislature exceeded the Governor's recommendation by \$346,845 consisting of:

- Increased appropriations of \$171,845 for undergraduate education, including an understanding that \$50,000 would be dedicated to the Carroll campus project.
- A first-time appropriation of \$175,000 from the Criminal Justice Appropriation bill, which will not automatically return in FY 1998.

The state appropriation of \$500,000 for teacher education, which was included in the ICN Phase III funding bill, reflected \$328,155 which is treated as part of the university's general university budget.

Detailed information concerning the University of Northern Iowa's preliminary budget can be found in the Minutes of the May 15-16, 1996, Board of Regents meeting, and is also on file in the Board Office.

Regent Dorr asked whether University of Northern Iowa officials would be able to provide the Regents with an annual update on progress made in reaching stated benchmarks, as was requested of Iowa State University.

President Koob responded that university officials would welcome an opportunity to report to the Regents at the end of this fiscal year.

MOTION: Regent Pellett moved to approve the preliminary FY 1997 general fund operating budget for the University of Northern Iowa in the amount of \$107,073,500. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Iowa School for the Deaf. The Board Office recommended the Board (1) approve the preliminary FY 1997 general fund operating budget for the Iowa School for the Deaf in the amount of \$7,293,911, except for the position for technology services, and (2) approve a FY 1996 budget ceiling increase of \$8,000.

The preliminary FY 1997 general Fund operating budget for the Iowa School for the Deaf was \$7,293,911, a 4.6 percent increase over the FY 1996 revised budget.

The preliminary FY 1997 general fund operating budget for the Iowa School for the Deaf was unchanged in total from the budget submitted to the Board in May. Mandatory increases of \$19,107 in health and dental insurance premiums, and employee shifts to family insurance coverage have been accommodated through reductions in other expenditure line-items.

The FY 1997 state appropriation for Iowa School for the Deaf was \$6,975,448, a \$305,351 (4.6 percent) increase over the FY 1996 revised budget. The total FY 1997 appropriation by the state legislature exceeded the Governor's recommendations by \$85,000

MOTION: Regent Tyrrell moved to (1) approve the preliminary FY 1997 general fund operating budget for the Iowa School for the Deaf in the amount of \$7,293,911, except for the position for technology services, and (2) approve a FY 1996 budget ceiling increase of \$8,000. Regent

Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

(e) Iowa Braille and Sight Saving School. The Board Office recommended the Board (1) approve the preliminary FY 1997 general fund operating budget for the Iowa Braille and Sight Saving School in the amount of \$4,162,158, except for the position for technology services, and (2) approve a FY 1996 budget ceiling increase of \$2,000.

The preliminary FY 1997 general fund operating budget was \$4,162,158, an increase of \$163,732 (4.1 percent) over the FY 1996 revised budget, assuming approval of the additional ceiling increase requested.

The preliminary FY 1997 general fund operating budget for the Iowa Braille and Sight Saving School was unchanged in total from the budget submitted to the Board in May. Mandatory increases of \$17,252 in health and dental insurance premiums have been accommodated through reductions in other expenditure line-items.

The state appropriation of \$3,916,520 represented a \$213,454 increase (5.8 percent) over the FY 1996 revised budget. The total FY 1997 appropriation by the state legislature exceeded the Governor's recommendations by \$85,000

MOTION:

Regent Tyrrell moved to (1) approve the preliminary FY 1997 general fund operating budget for the Iowa Braille and Sight Saving School in the amount of \$4,162,158, except for the position for technology services, and (2) approve a FY 1996 budget ceiling increase of \$2,000. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

Regent Pellett asked that the special schools also report annually on progress made in meeting goals.

(f) Regional Study Centers. The Board Office recommended the Board approve the revised preliminary FY 1997 operating budgets for the Quad-Cities Graduate Study Center (\$335,200), Tri-State Graduate Study Center (\$123,878) and Southwest Iowa Regents Resource Center (\$106,109).

The FY 1997 Iowa educational appropriations for the study centers total \$332,945; in addition, estimated salary appropriations of \$8,172 will fund an average 4 percent salary increase.

	<u>FY 1996</u>	<u>FY 1997</u> <u>Ed. App.</u>	<u>FY 1997</u> <u>Salary</u>	<u>Total</u> <u>FY 1997</u>
Quad-Cities Graduate Study Center	\$154,278	\$154,278	\$3,952	\$158,230
Tri-State Graduate Study Center	74,511	74,511	2,267	76,778
Southwest Iowa Regents Resource Center	<u>73,538</u>	<u>104,156</u>	<u>1,953</u>	<u>106,109</u>
TOTAL	\$302,327	\$332,945	\$8,172	\$341,117

The recommendation for distribution of the educational appropriation and salary increase funds will be brought forward for Board approval at the July meeting after the allocation of salary appropriations is finalized.

The budgets for the Quad-Cities Graduate Study Center and the Tri-State Graduate Study Center include other funds in addition to moneys appropriated by the State of Iowa.

Regent Pellett asked that the graduate study centers be included in the request to present annually the progress made in meeting stated goals. Mr. Richey stated that the

Board of Regents receives annual reports from the graduate study centers and that the requested information would be included in those reports.

MOTION: Regent Mahood moved to approve the revised preliminary FY 1997 operating budgets for the Quad-Cities Graduate Study Center (\$335,200), Tri-State Graduate Study Center (\$123,878) and Southwest Iowa Regents Resource Center (\$106,109). Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

(g) Lakeside Laboratory. The Board Office recommended the Board approve the FY 1997 preliminary operating budget of \$381,541 for the Iowa Lakeside Laboratory, including \$304,781 in general funds as follows:

University of Iowa	\$152,086
Iowa State University	92,653
University of Northern Iowa	60,042
Total	<u>\$304,781</u>

The FY 1997 preliminary operating budget of \$381,541 included general funds of \$304,781 and room and board revenue and expenses estimated at \$76,760. This budget was \$70,000 less than the budget presented last month as the Governor line-item vetoed the \$70,000 appropriation from excess lottery revenues for infrastructure improvements.

Funding by the universities of the general fund portion of the budget was recommended as follows:

University of Iowa	\$152,086
Iowa State University	92,653
University of Northern Iowa	60,042
Total	<u>\$304,781</u>

This amount was \$1,030 (.34 percent) higher than the FY 1996 budget and included a 2.5 percent increase in the supplies and service budget to cover inflationary increases in the costs of these services. Adjustments for salary increases, when approved, will need to be incorporated into the budget.

Room and board revenue and expenses were estimated to increase by \$35,765 (87.2 percent) in FY 1997 because of the addition of new housing units and increased enrollment.

During the discussion of the FY 1997 preliminary operating budget for the Lakeside Laboratory at the May Board meeting, a request was made for a status report from the Lakeside Laboratory at a future meeting. Arnold Van der valk, Director of Lakeside Laboratory, and Judy Thoreson, President of the Friends of Lakeside Laboratory, made a report.

In the summer of 1993 the Board of Regents approved a three-year plan and a new organizational structure for the Lakeside Laboratory including a Lakeside Laboratory

Coordinating Committee and a new directorship. The goals of the three-year plan, which began July 1, 1994 were:

- Enhance the Instructional Program
- Increase Enrollment
- Improve Financial Situation
- Reexamine Curriculum
- Improve Relations with the Lake Okoboji Community
- Increase Tuition Scholarships
- Examine Distant Learning Potential
- Enhance Research Opportunities

The Lakeside Laboratory Coordinating Committee selected Dr. Arnold Van der Valk, a faculty member, as Director of the Lakeside Laboratory and he assumed this position on July 1, 1994. Dr. Van der Valk serves half-time during the academic year and full time for two months during the summer.

Significant progress has been made in all of the approved goals except the one related to distance learning where the lack of a connection to the Iowa Communications Network hampers development.

Enrollment in Lakeside Laboratory 1995 summer courses was up over 50 percent from the previous year; current enrollments for the 1996 summer session exceed 1995 levels.

During the 1995 summer session, 17 courses (versus 11 in 1994) were taught, 75 percent of which were new or substantially revised and shortened; two new courses, consistent with the on-going curriculum revisions, are in place for the 1996 summer session.

A detailed maintenance plan was developed which will take many years to complete although all of the highest priority projects to correct problems that were potentially life or health threatening have been completed.

In March 1995 the Board approved the acquisition, moving and setup of motel buildings from the Brooks Resort to provide improved housing for faculty and staff. These new housing units and the air-conditioning installed in the new computer facility will increase the annual utility costs for Lakeside Laboratory. Additional housing facilities to be built entirely by housing income are under consideration; these new units will replace obsolete units. Continued upgrading of living, teaching and laboratory facilities is an on-going priority for the Laboratory.

Substantial improvements have been made in working with the local community.

Funding by the universities, excluding adjustments for salary increases, was recommended as follows:

<u>Institution</u>	<u>Amount</u>	<u>Percentage</u>
University of Iowa	\$152,086	49.9%
Iowa State University	92,653	30.4%
University of Northern Iowa	<u>60,042</u>	<u>19.7%</u>

Total \$304,781 100%

The allocation by university was the same percentage as for FY 1996.

A substantial fund-raising effort by the community is underway and was expected to be concluded this summer with funding for a new Water Quality Lab and Classroom facility.

Professor Van der vank discussed the history of Lakeside Laboratory and the efforts that had taken place to revitalize its program. He said the creation of Friends of Lakeside Laboratory has provided Regent representatives with someone in the community with whom to communicate. He stated that water quality is a very important issue. Okoboji is the largest, deepest and longest lake in the state and is an extremely important natural resource. Revitalization of Lakeside Lab has been very well received by the local community. One of the first projects the Friends of Lakeside Lab undertook was the water quality project which has been spectacularly successful. He said Ms. Thoreson would provide the Regents with an update on the fund-raising efforts.

Professor Van der vank stated that enrollments at Lakeside Lab had increased dramatically, nearly double that of last year, and enrollments were expected to increase by an additional one-third next year. There has been a quantum leap in the number of students. With regard to the budget, he said a change has been made in the way summer faculty are paid which helps to control the amount of money spent on faculty salaries every year. Another effort that would improve the financial status of the program is to make the Laboratory a year-round facility; it currently operates 10 weeks per year. He said there was a real possibility of turning it into a year-round facility which would greatly help with the budget for upkeep of facilities. In the future as many buildings as possible will be winterized, in conjunction with the Iowa Lakes Community College building trades program. He noted that funding to replace the deteriorating sewer pipe was vetoed by the Governor.

Ms. Thoreson stated that the Friends of Lakeside Laboratory was in full support of Professor Van der vank's report. She said many exciting things were happening. Much was being accomplished with the revitalization program. Lakeside Laboratory was an important biological research station. She provided the Regents with the packet prepared by Friends of Lakeside Laboratory for its fund-raising effort.

President Newlin asked how much money the community had raised to date. Ms. Thoreson responded that \$410,00 had been raised, with an approximate additional \$20,000 in pledges from a fund-raiser the previous Friday, bringing the total to \$420,000. She said the goal is \$700,000. This substantial fund-raising effort by the community is expected to be concluded by the end of the year with funding for a new Water Quality Lab and classroom facility. There is a lot of community interest in water quality and its impact on the local economy.

Regent Lande asked for a status report regarding the Iowa Communications Network connection for the Laboratory. Professor Van der vank responded that some progress had been made. A new telephone system was being installed. Lines have been laid as had the conduit that is used for installing fiber optic cable. However, the Laboratory is not near the main trunk of the fiber optic network; it is about 5 miles south of Highway 9. He noted that the new water quality lab will have a classroom that will accommodate distance education.

Regent Lande asked for a cost estimate to hook up to the ICN. Professor Van der Valk responded that there were so many other needs at the Lakeside Laboratory that connection to the Iowa Communications Network cannot be a high priority.

Regent Dorr asked if the Lakeside Laboratory is developed to the extent envisioned and is open year-round within 5 years, what did Professor Van der Valk anticipate the operating budget would be? Professor Van der Valk responded that the budget should not be significantly expanded from what it is today except for additional office and maintenance funds. Most of the expansion is not expected to be paid for by general revenues from the Regents. He said the idea of expanding to a year-round program is to generate additional revenues. The Lakeside Lab has two budgets. The general revenue budget is provided from Regent funds, and is approximately \$300,000. Last year the Lakeside Lab brought in an additional \$76,000 in housing revenues for the summer operation.

Regent Dorr stated that a \$200,000 endowment would typically provide \$10,000 a year in operating funds. The Friends of Lakeside Lab fund-raising goal is \$700,000 for a new Water Quality Lab and classroom facility. He said the long-term financing was the more difficult part of the operating budget. He questioned how much support would be provided by the local community on an ongoing basis for the operating budget.

Professor Van der Valk responded that the intent was to continue actively raising money for specific types of activities including scholarships. He said the \$200,000 that one donor had promised was basically a challenge to others to pledge support for the Lakeside Laboratory. He said Regent Dorr was absolutely right: \$10,000 to \$12,000 annual interest income was all that could be expected from a \$200,000 endowment. They will need to raise more money. This was just the beginning. The current fund-raising activities are focused on the Water Quality Lab and classroom facility. He noted that there are other ways to get money. The new facility will attract people to work in it. Those individuals will get support from various federal and state agencies to do water quality research which will bring in overhead reimbursement. There are mechanisms that will generate revenues to buy equipment for the building. He believes the building will become a self-sustaining enterprise.

Regent Dorr stated that officials of the Lakeside Lab have done a marvelous job developing and maintaining the facility. At some point there has to be a structure to bear those costs. To what extent are institutional officials prepared to ante up more than the \$300,000 the universities are currently contributing?

Professor Van der Valk stated that the Lakeside Laboratory is experiencing a metamorphic stage. It is becoming an institution that is much more capable of standing on its own and generating its own revenues. He said there are many models for field stations run by universities. Almost every major university in the world has a facility like this. Many of them do a good job of generating revenues. The only way to be able to generate additional revenues is to have facilities to support research.

Regent Dorr said he hoped there was a contingency plan in place to provide necessary support so there would not be a need to seek additional funds from the institutions' general appropriations. If such a contingency plan were not in place he cautioned that they needed to be doing it and fairly quickly.

Professor Van der valk responded that he was uncertain what Regent Dorr meant by a contingency plan. Lakeside Laboratory officials were definitely trying to do what Regent Dorr was suggesting; they are trying to make the facility as successful as possible and to put it in a position to generate as much revenue internally as is feasible given the present infrastructure conditions. Dr. Van der valk believes it is possible to greatly increase the receipt of external revenues. He said there is risk involved. There has to be an investment of money in order to do so. The community is extremely supportive in that effort.

President Newlin stated that they all needed to be aware that the infrastructure had deteriorated terribly. Much catch up needs to be done.

Regent Tyrrell asked when the Board would receive its next report on Lakeside Laboratory. Mr. Richey responded that the Board would receive a report in a year. However, as deferred maintenance projects are identified they will come to the Board for approval.

Regent Tyrrell asked where the support for those deferred maintenance projects would come from. Will the universities be asked to pay for those? Mr. Richey responded that the universities probably would be asked to fund any severe deferred maintenance projects.

Regent Tyrrell asked whether a plan needed to be developed to determine what could be done within the next year, what the implications are, what the costs may be, and the potential benefits. Also, with regard to winterizing, is the facility now used for only two months in the summer? Can the facility be used for up to 6 months per year without the need for winterizing? Once this particular water quality project is completed, what is the next project?

Professor Van der valk responded that there are three pressing infrastructure issues: 1) sewage pipe, 2) permission to build a water quality laboratory, and 3) replace housing.

Regent Kennedy requested that the Regents have a meeting at the Lakeside Laboratory. She said she has heard that they have done so in the past. It may be helpful for the Board of Regents to do that next summer as some of these activities progress. Would that be a possibility?

Mr. Richey responded affirmatively, noting that the Regents may get some good publicity for the Lakeside Laboratory by holding a meeting at that location.

MOTION: Regent Kennedy moved to approve the FY 1997 preliminary operating budget of \$381,541 for the lowa Lakeside Laboratory, including \$304,781 in general funds, as presented. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

(h) Athletic Budgets. The Board Office recommended the Board approve the FY 1997 preliminary athletic budgets for the University of Iowa, Iowa State University and the University of Northern Iowa.

The FY 1997 preliminary athletic budgets presented this month were unchanged from those presented last month. FY 1997 preliminary athletic budgets for the University of Iowa, Iowa State University and the University of Northern Iowa total \$39,668,922.

General fund support is \$5,024,216, earmarked student activity fees income is \$2,200,000, sports income is \$17,531,497, and other income is \$14,913,209.

MOTION: Regent Tyrrell moved to approve the FY 1997 preliminary athletic budgets for the University of Iowa, Iowa State University and the University of Northern Iowa. Regent Mahood seconded the motion. MOTION CARRIED UNANIMOUSLY.

(i) Board Office Budget for Fiscal Year 1997. The Board Office recommended the Board (1) approve the proposed budget of \$1,343,234 for operation of the Board Office for fiscal year 1997 and (2) approve the proposed budgets for the Facilities Officer and Assistant Director of Business and Finance to be included in the University of Iowa budget for housekeeping purposes and funded by contributions by the Regent institutions.

The proposed total budget for the Board Office for FY 1997 was \$1,490,254, an increase of 4 percent, of which \$1,178,520 is financed by state appropriations and \$311,784 by institutional funds and miscellaneous receipts.

Salary increases averaging 3.6 percent were budgeted based on state salary policy and the performance of individual employees.

The budget reflected the new half-time Associate Director of Human Resources position, which will also have responsibility for Affirmative Action. The position of Assistant Director of Business and Finance/Affirmative Action will be assigned full-time in business and finance. The position of Associate Director of Academic Affairs, vacant because of a termination last year, will be filled on August 1, 1996.

Three employees were to be promoted based on their productivity and increased responsibilities.

The total budgeted personnel complement is 17.63 positions, the same as FY1996 as adjusted for expected vacancies and excluding the Eisenhower/Title II federal program.

Other operating expenditures for the Board Office were budgeted at a total of \$240,530 for FY 1997, compared to estimated expenditures of \$252,838 for the current year.

Board travel was estimated to be less because of the completed presidential searches and other one-time activities.

The amount of \$10,000 was budgeted for maintaining/updating office computers on an interim basis until the comprehensive study by external consultants is completed.

Other expense categories were budgeted at or near expected FY 1996 expenditure levels.

Institutional reimbursements would have been lower for FY 1997 but for the elimination of \$15,000 for the office from the Governor's recommended appropriation by the General Assembly.

The provision of a full-time position of Assistant Director of Business and Finance will address a critical need in the office because of a very heavy backlog of work.

Some further adjustments to the budget may be necessary at the Board's July meeting depending on fund allocations by the Department of Management and action by Governor Branstad on the salary of the Executive Director.

Mr. Richey stated that the budget as presented would result in improved staff capacity especially in the area of business and finance.

Regent Dorr referred to the line item for data processing of \$7,500 and asked whether the amount addressed the ability of the Board Office to function appropriately in a highly electronic age.

Mr. Richey responded that the Regents had released an RFP for a consultant to do a follow-up on the recommendations resulting from the Pappas study, which included a thorough review of the computerization needs in the Board Office. The \$7,500 for data processing in the current budget is to hold that line item at the customary level until the results of the consultant's report are received. At that time a decision will be made on whether to proceed with the consultant's recommendation. Mr. Richey will propose that the Board amend the budget to reflect the outcome of the study and the Board's decision on the consultant's recommendations. He said he did not want to inflate the budget at this time until there was some basis for the adjustment.

MOTION: Regent Pellett moved to (1) approve the proposed budget of \$1,343,234 for operation of the Board Office for fiscal year 1997 and (2) approve the proposed budgets for the Facilities Officer and Assistant Director of Business and Finance to be included in the University of Iowa budget for housekeeping purposes and funded by contributions by the Regent institutions. Regent Dorr seconded the motion. MOTION CARRIED UNANIMOUSLY.

FY 1997 CAPITAL IMPROVEMENT PLANS AND ALLOCATION OF FY 1997 CAPITAL APPROPRIATIONS. The Board Office recommended the Board (1) receive the report on Board of Regents FY 1997 capital improvement plans with the understanding that the proposed projects are subject to further review and availability of funding and specific project approval by the Board, and (2) allocate the \$51 million appropriated to the Board of Regents for FY 1997 for capital projects authorized by the Second Session of the Seventy-Sixth General Assembly as follows:

<u>Project</u>	<u>FY 1997 Allocation</u>
National Advanced Driving Simulator (SUI)	\$ 2,300,000
School of Music Classroom Bldg./Performing Arts Center (UNI)	6,500,000
Intensive Livestock Research Facilities, Phase 1 (ISU)	15,300,000
Biological Sciences Renovation/Addition, Phase I (SUI)	14,900,000

Engineering Teaching and Research Complex, Phase 1 (ISU)	6,100,000
Engineering Modernization/Addition (SUI)	<u>5,900,000</u>
Total	\$51,000,000

FY 1997 Capital Plans

The capital improvement plan for FY 1997 included those projects in the process of completion, those projects underway, and those planned to come to the Board during FY 1997.

Anticipated Projects

Projects included on the anticipated list were those for which the Board had not been asked to approve a project description and budget. Some of the projects will be underway during the next fiscal year; planning for others will begin during that time.

The distribution by institution of the 71 anticipated projects with an estimated cost of \$177.8 million is as follows:

	<u># Of Projects</u>	<u>Estimated Cost</u>
University of Iowa		
General University	24	\$ 83,503,000
University Hospitals	14	25,432,000
Iowa State University	17	48,489,055
University of Northern Iowa	11	20,097,000
Iowa School for the Deaf	4	235,000
Iowa Braille & Sight Saving School	1	30,000
Total	<u>71</u>	<u>\$177,786,055</u>

The distribution by type of project is as follows:

<u>Category</u>	<u>Estimated Cost</u>
Fire and Environmental Safety	\$ 5,805,000
Building Deferred Maintenance	13,036,055
New Building Construction	39,250,000
New Building Construction/Renovation	46,658,000
Utility Expansion/Improvements	4,600,000
Remodel/Renovation	29,342,000
Telecommunications Improvements	11,145,000
Parking Improvements	15,700,000
Campus/Other	12,250,000
Total	<u>\$177,786,055</u>

This proposed distribution by type of project shows the commitment of the institutions to addressing fire and environmental safety, deferred maintenance, and remodeling/renovation needs at the campuses.

The distribution of the proposed projects by source of funds is as follows:

<u>Fund Source</u>	<u>Amount</u>
FY 1997 - FY 1999 Capital Appropriations*	\$ 34,090,000

Building Repair - Operating Budget	12,571,055
Future State Appropriations	7,225,000
UIHC Building Usage Funds	25,432,000
National Science Foundation	1,250,000
Gifts	24,408,000
SUI College of Engineering	100,000
Residence System Reserves	2,350,000
Overhead Use Allowance	2,700,000
Telecommunication Enterprise/Information Network Services	4,550,000
Utility Enterprise	3,200,000
Treasurer's Temporary Investments	14,560,000
Institutional Roads	1,500,000
SUI Laundry Revenues	3,800,000
SUI Student Health Services	3,000,000
Other	2,150,000
Parking System	14,700,000
ISU Hilton Coliseum Bond Reserves	4,000,000
To be determined	16,200,000
TOTAL	<u>\$177,786,055</u>

* Other projects receiving FY 1997 - FY 1999 capital appropriations have had project descriptions and budgets previously approved by the Board; these are included in the next section of this report.

FY 1997 Status Report on Projects Previously Approved by the Board

Nine projects with total project costs exceeding \$44.7 million will be completed during FY 1997. Included are \$27.1 million in construction at the University of Iowa including the Schaeffer Hall Remodeling and the West Campus Parking Expansion. Projects to be completed at Iowa State University in FY 1997 total \$16.2 million and include the Athletic Office and Training Facility. The Maucker Union roof will be completed at the University of Northern Iowa during FY 1997.

Construction will continue from FY 1996 into FY 1997 on 9 projects totaling \$67.2 million. Included are the Levitt Center for University Advancement at the University of Iowa (\$17.8 million), Student Health Center at Iowa State University (\$6.2 million) and Wellness/ Recreation Center at the University of Northern Iowa (\$18.6 million).

It was expected that construction will begin in FY 1997 on 6 major projects. Included are the following projects for which funds were appropriated during the 1996 legislative session: Intensive Livestock Research Facilities, Phase 1, and Engineering Teaching and Research Complex, Phase 1, at Iowa State University, and School of Music Classroom Building/Performing Arts Center at the University of Northern Iowa.

The Board has approved a project description and budget for the Intensive Livestock Research Facilities and Engineering Teaching and Research Complex, and the university anticipates submitting a project description and budget for each phase of the two projects in July 1996.

Allocation of FY 1997 Capital Appropriation

HF 2421, as passed by the Seventy-Sixth General Assembly, second session, and signed by Governor Branstad, includes authorizations of \$66.1 million for the five highest

building priorities of the Board of Regents plus the National Advanced Driving Simulator (NADS) building as recommended by Governor Branstad; funds are appropriated to the Board for the projects for FY 1997 - FY 1999. The projects and amounts authorized are as follows:

<u>Project</u>	<u>Amount Authorized</u>
National Advanced Driving Simulator (SUI)	\$ 4,300,000
School of Music Classroom Bldg./Performing Arts Center (UNI)	6,500,000
Intensive Livestock Research Facilities, Phase 1 (ISU)	15,300,000
Biological Sciences Renovation/Addition, Phase I (SUI)	14,900,000
Engineering Teaching and Research Complex, Phase 1 (ISU)	11,000,000
Engineering Modernization/Addition (SUI)	<u>14,140,000</u>
Total	\$66,140,000

The Board is authorized, effective July 1, 1996, to enter into contracts for the full cost of the projects for which appropriations are made for FY 1997 - FY 1999. Appropriations to the Board of Regents for each fiscal year are as follows:

<u>Year</u>	<u>Amount</u>
FY 1997	\$51,000,000
FY 1998	8,340,000
FY 1999	<u>6,800,000</u>
	\$66,140,000

Under provisions of the bill, the Board is to determine the amounts to be allocated to each project for each fiscal year based upon project needs.

The following allocation of the \$51 million FY 1997 appropriation was recommended:

<u>Project</u>	<u>FY 1997 Allocation</u>
National Advanced Driving Simulator (SUI)	\$ 2,300,000
School of Music Classroom Bldg./Performing Arts Center (UNI)	6,500,000
Intensive Livestock Research Facilities, Phase 1 (ISU)	15,300,000
Biological Sciences Renovation/Addition, Phase I (SUI)	14,900,000
Engineering Teaching and Research Complex, Phase 1 (ISU)	6,100,000
Engineering Modernization/Addition (SUI)	<u>5,900,000</u>
Total	\$51,000,000

This allocation was based upon the project cash flows submitted by the institutions and was consistent with the specific fiscal year recommendations of the Governor. Estimated drawdowns of all appropriations will be submitted based on planning and construction schedules for each project. The allocations of the FY 1998 and FY 1999 appropriations will be made prior to the beginning of each of these fiscal years and will be based upon project needs.

Regent Lande asked whether the Board was being asked to approve each of the projects. He noted that the laundry facility at the University of Iowa had been discussed at that morning's Banking Committee meeting and that the Banking Committee members had chosen to defer action.

Mr. Richey responded that the list before the Board was of estimated projects that were subject to further review, availability of funding and project approval.

Regent Lande asked when the Board would review the specific projects. Mr. Richey said the Board would review the laundry facility project next month.

President Newlin asked that the Minutes show that the Board would have discussion of the laundry facility project next month.

MOTION:

Regent Tyrrell moved to (1) receive the report on Board of Regents FY 1997 capital improvement plans with the understanding that the proposed projects are subject to further review and availability of funding and specific project approval by the Board, and (2) allocate the \$51 million appropriated to the Board of Regents for FY 1997 for capital projects authorized by the Second Session of the Seventy-Sixth General Assembly, as presented.

Regent Lande seconded the motion. MOTION CARRIED UNANIMOUSLY.

REVISIONS TO THE REGENTS CAPITAL PROCEDURES - CONSTRUCTION MANAGEMENT. The Board Office recommended the Board authorize the institutions to work with the Board Office to develop procedures relative to construction management to be included in Chapter 9 of the Board of Regents Procedural Guide, to be presented for Board approval at the July meeting.

The construction manager approach for capital projects would allow a single point of responsibility for construction of the project, including coordination of contractors and sub-contractors.

The Board Office will work with the institutions to develop procedures relative to construction management. The revisions to Chapter 9 of the Procedural Guide will be presented for Board approval at the July meeting.

Until approval of the new procedures, the institutions are required to bring to the Board any requests for specific approval involving construction management services.

Regent Tyrrell asked for a definition of “construction managers”. Mr. Richey responded that when a major construction project is done, either the university acts as construction manager or a single contractor is selected who, with subcontractors, constructs the project.

Regent Tyrrell asked whether there would be a cost savings to utilizing construction managers. Mr. Richey said it was possible. Also, by having professional management of a project, the construction flows more smoothly. Efficiencies are achieved in the building of the project. He said there are all kinds of possibilities if the right construction manager is hired.

Regent Tyrrell asked how construction management relates to the supervision provided by an architect as a part of an architect’s fee. Regent Lande stated that an architect or an engineer will usually indicate that they do not supervise as a part of their fee. Supervision of construction is generally not a part of an architect’s or engineer’s fee.

Regent Pellett asked how construction management is now done. Vice President Madden responded that the universities have various options. One of the projects that Iowa State University officials have proposed using a construction manager on is the Intensive Livestock Research Facility. It is a very large and complicated project, and is in the core of the campus. The project involves construction and renovation of facilities and has to be accomplished in conjunction with ongoing campus activities. The construction manager, typically an experienced contractor, will be asked to coordinate the work schedule and review the architect’s recommendations. The construction manager will perform cost estimating in relation to the project design and see that it is implemented in a way that will minimize disruptions and gain efficiencies in the construction of the facility. He said the experience of the construction manager in building large complex projects typically provides the benefit of their oversight. The construction manager does not have a direct financial interest in contracts because they generally are not permitted to bid on the work. However, one of the variations of construction manager is to have them provide an upside figure where if in the bidding process bids are not received below a certain amount, the construction manager will

guarantee to do the work for a fixed amount. Iowa State University officials believe there would be savings in the order of 5 percent of a large complex project by utilizing a construction manager.

Vice President Madden stated that part of the benefit of a construction manager is in scheduling the various components to keep them moving together in these complicated projects. In terms of construction oversight, he said that sometimes the architects are hired to provide that service, which they may do for a fee. The Regent universities have some experienced staff who also provide that service. University officials have found over the years that they receive better service and better quality control when they do not rely solely upon the architects to provide oversight of the contractors. He stated that with all the code requirements and life safety concerns today, these projects are getting more complex. Construction managers seem to be a way to bring about some efficiencies. Construction managers review the architect's design plans and raise questions about feasibility and practicality. Sometimes architects do not always build into their plans those things that are the most cost effective way to construct a project. Many of the large projects now involve a series of bids and breaking projects into components. University officials want some assurance that projects will be completed in a timely fashion. Construction management is a technique now being used by a large number of organizations on particularly large complex projects.

Regent Tyrrell asked whether construction managers are hired before contract bidding takes place. Vice President Madden responded that in the Intensive Livestock project, the construction manager will be involved in evaluating bids and selecting the firms that will do the work.

Regent Tyrrell asked whether construction managers are chosen through a bidding process. Vice President Madden responded that university officials would seek proposals from a number of qualified firms and choose the one they feel is best qualified.

Regent Tyrrell asked whether costs for services are included as part of the proposals submitted by construction managers. Vice President Madden responded that cost is part of the bid.

MOTION: Regent Tyrrell moved to authorize the institutions to work with the Board Office to develop procedures relative to construction management to be included in Chapter 9 of the Board of Regents Procedural Guide, to be presented for Board approval at the July meeting. Regent Lande seconded the motion. MOTION CARRIED UNANIMOUSLY.

REPORT OF THE BANKING COMMITTEE. The Board Office recommended the Board accept the report of the Banking Committee and authorize the selection of the Board's financial advisor and bond counsel, approval of a brokerage firm, amendment to the master lease agreement, approval of master lease purchases, and the reimbursement resolution for the Institute of Hydraulic Research Modeling Facility.

Regent Kennedy stated that at that morning's meeting, the Banking Committee approved an amendment to the master lease agreement. She said the Banking Committee members discussed the University of Iowa Institute of Hydraulic Research Modeling Facility project and agreed that using the newly-amended master lease agreement to finance the project would be a good idea. The Banking Committee members deferred approval of master lease purchases for the University of Iowa laundry facility until they have had more time to review the request.

Regent Kennedy said the Banking Committee members postponed until next month the selection of a financial advisor. Institutional officials wish to check with some of the advisors' clients. A conference call may be held in the interim to allow the development of a contract for approval by the Board in July.

Regent Dorr asked for a separate vote on the amendment to the master lease agreement.

MOTION: Regent Kennedy moved approval of the amendment to the master lease agreement. Regent Lande seconded the motion.

Mr. Richey noted that the motion would broaden the usage of the master lease.

Regent Pellett questioned whether the Regents needed to vote on the amendment to the master lease agreement at this meeting. It appeared to her that there was not consensus from the Banking Committee. She would also like to have additional information.

President Newlin stated that the Banking Committee had approved amending the master lease agreement. Regent Dorr said the Banking Committee voted three to one to recommend to the Board that it approve the amendment to the master lease agreement.

Regent Kennedy said the proposal was to change how the master lease can be used. The Regents will still have to approve each specific item to be financed by the master lease.

Regent Lande explained to Regent Pellett his understanding of the actions that would be requested of the Board if the master lease agreement is amended to include real estate. He said University of Iowa plan to construct a steel building at Oakdale at a cost of approximately \$600,000 for its hydraulics laboratory facility. If the Regents approve amending the master lease agreement to include real estate, university officials would be able to utilize the master lease financing mechanism. If the Regents do not approve the amendment to the master lease agreement, the hydraulics laboratory project will continue on an internally self-funded basis. He said University of Iowa officials also proposed using the master lease agreement to finance a laundry facility. The Banking Committee members chose to not proceed with that request until they have been provided with additional information. There was lengthy discussion about provided the master lease financing mechanism to save costs to the institutions since the law provides that real estate can be included in the master lease financing.

Regent Tyrrell questioned whether the amendment to the master lease agreement was being proposed at this time because of the change during the recent legislative session. Were the Regents previously prohibited from financing real estate in this manner and now the legislature has approved the financing? Did the legislative action pertain just to the Regents or to all of state government?

Mr. Richey responded that the recent legislative action pertain to all state government. He said the Regents already had the authority but did not use it. During the recent legislative session the legislature expanded it to all of state government; it gave all of state government the authority that the Regents had relative to this issue.

Regent Tyrrell asked whether the Regents had the authority to finance real estate all along. Mr. Richey responded affirmatively.

Regent Dorr asked why the Regents were being asked to amend the master lease agreement to include real property if they have always had the authority to do so. Mr. Richey responded that the Board's agreement with Norwest said "equipment". The proposal was to amend the language to include equipment and real property.

Regent Dorr asked if Mr. Richey was saying the Board could have used its authority to purchase real estate through the master lease if they had chosen. Mr. Richey responded affirmatively, had the master lease agreement so stipulated. He said the chief advantage in using this authority to finance real property through the master lease rather than negotiating a direct loan with a bank was the possibility of a

disadvantageous interest rate. If the Regents borrow through the master lease agreement, they can borrow directly from a bank. He noted that the master lease agreement was achieved through a highly competitive arrangement. Firms bid on the interest rates on the master lease and the lowest bidder got the award. Mr. Richey stated that approving the expansion of master lease financing allows the institutions to use this financing mechanism, which was competitively bid, for real estate rather than having to negotiate for the best interest rate each time they wish to finance real property.

Regent Dorr said he was unaware that the Board had previously had the authority to purchase real estate through the master lease agreement but had chosen not to do so.

Regent Lande said his understanding was the same as Regent Dorr's although he agrees that the Board should enable the institutions to use the master lease to purchase real estate upon prior Board approval.

Regent Dorr said he was concerned from a principle point of view that the government has access to better interest rates because of its clout. He remained in opposition to the motion.

Regent Pellett asked whether postponing action on this matter for a month would cause undue hardship for the University of Iowa. Vice President True stated that the reason this matter was brought to the Banking Committee was because it represents an opportunity to save money for the Institute of Hydraulic Research Modeling Facility project. This was something that university officials had hoped to accomplish as soon as possible. They know that money can be saved on this research project; however, if the Board wants to wait 30 days, university officials would be agreeable.

Regent Dorr asked that his following comments be made a part of the record. He pointed out that the hydraulics project was approved in March prior to the anticipation of the use of master lease financing. There already was an intent to fund the project internally. He felt they were mixing "apples and oranges", about which he was somewhat disheartened. He said the hydraulics project is not going to "live or die" on the change in this master lease agreement.

Regent Kennedy agreed with Regent Dorr that the hydraulics project would be accomplished whether or not the master lease financing is utilized; however, doing so will allow the university to save some money.

Regent Pellett asked whether the Regents will continue to approve master lease drawdowns on a project-by-project basis. Mr. Richey responded affirmatively.

Regent Tyrrell asked whether Norwest would maintain the same interest rates if the master lease agreement is amended. Mr. Richey responded affirmatively.

Vice President Conner stated that the requested action was for a modification of the master lease with a private enterprise. It will expand the ability of the institutions to utilize this method of financing. He reminded the Regents that every time an institution has a project it would like to finance through the master lease, it comes to the Banking Committee and the Board for prior approval.

VOTE ON THE MOTION: The motion carried with Regent Dorr voting "no".

MOTION: Regent Kennedy moved to approve the reimbursement resolution for the Institute of Hydraulic Research Modeling Facility. Regent Lande seconded the motion.

Vice President True stated that university officials had intended to utilize treasurer's temporary investments to finance this project. The reason that university officials would prefer to utilize the master lease is because it saves 30 basis points in interest costs every year and would make the internal funds available for other purposes. He noted that there is a cost for using the university's own funds.

VOTE ON THE MOTION: Upon the roll being called, the following voted:
AYE: Dorr, Kennedy, Lande, Mahood, Newlin, Pellett, Tyrrell.
NAY: None.
ABSENT: Smith.

MOTION CARRIED.

Regent Kennedy stated that the Banking Committee recommended Board approval of the selection of the Ahler's law firm as bond counsel. Two representatives of the firm were interviewed by the Banking Committee the previous afternoon.

MOTION: Regent Kennedy moved to approve the selection of the Ahler's law firm as bond counsel. Regent Lande seconded the motion. MOTION CARRIED UNANIMOUSLY.

Regent Kennedy stated that the Banking Committee members received a progress report on timing of the sale of up to \$16,640,000 academic building revenue refunding bonds, Series ISU 1996; approved the addition of a brokerage firm to the list of firms with which the institutions can do business; received quarterly investment and cash management reports and a semi-annual report on the master lease agreement; received a report of the Executive Director regarding approval of a lease purchase financing; and received internal audit reports for the University of Iowa and the University of Iowa Hospitals and Clinics .

ACTION: President Newlin stated the Board accepted the report of the Banking Committee and approved the addition of a brokerage firm, by general consent.

ANNUAL GOVERNANCE REPORT ON CHILD CARE. The Board Office recommended the Board receive the annual reports on child care programs at the University of Iowa, Iowa State University, and the University of Northern Iowa.

The Board deferred action on the annual governance report on child care at the May meeting pending review by the Priority Study Group on Child Care. The priority study group met on Wednesday morning preceding the Board meeting to review the report and tour the University of Northern Iowa Child Development Center. Each campus child care center receives university funding in a different manner.

Fiscal year 1996 general fund support for the child care programs was budgeted at:

	<u>FY 1996</u>	<u>FY 1995</u>
University of Iowa	\$266,000	\$226,706
Iowa State University	\$176,281	\$174,625
University of Northern Iowa	\$108,828	\$104,865

The universities do not directly spend funds from other sources for child care except in the form of in-kind services and space:

Each university has a very successful ongoing child care program which includes on-campus care as well as participation in community referral services.

The universities cooperate with community child care referral agencies.

Fees are charged by the centers that are comparable to those charged in the surrounding communities.

While centers exist on each campus, child care needs are not being fully addressed as demonstrated by large waiting lists for each center.

The universities have plans to expand services in future years especially in areas of part-time care, infant care, care for mildly ill children and care for disabled children

Each university offers a flexible benefits programs available to nonorganized faculty and staff. This program allows eligible employees to establish a spending account to be used for child care expenses.

Regent Kennedy stated that the Priority Study Group on Child Care met that morning at the Price Laboratory School. She noted that the study group had not met since September 1994 and now had two new members. Those members were brought up to date on the issues. The study group members agreed on the additional information they would like to receive prior to their next meeting in September. They hope to address the purpose of the committee and to bring more specifics to the Board in September.

ACTION: President Newlin stated the Board received the annual reports on child care programs at the University of Iowa, Iowa State University, and the University of Northern Iowa, by general consent.

CONTINUATION OF EARLY AND PHASED RETIREMENT PROGRAMS. The Board Office recommended the Board (1) approve continuation of the early retirement program as currently structured through June 30, 2002, and (2) approve continuation of the phased retirement program as currently structured through June 30, 2002.

Regent early and phased retirement programs will expire on June 30, 1997, unless reauthorized. Institutional officials feel the programs have been working well and should be continued for an additional five years without change in the benefits offered.

Approval of the continuation of these programs at this time will assist the institutions in their future budget planning as well as assist employees with retirement planning.

In May the Board approved the retirement incentive program for a one-year period ending June 30, 1997. The program was proposed by the University of Iowa. It is hoped that the "window" program would be attractive to faculty and staff in units in which turnover is necessary to support new missions or contribute to institutional vitality or where personnel reductions are necessary. The program requires the institution to submit a plan as to the window period selected and maximum number of participants to the Board for approval.

Effective December 31, 1993, mandatory retirement for tenured faculty at age 70 was eliminated. This exemption had been allowed by the Age Discrimination in Employment Act. Current age distributions show that the Regent universities have less than one percent of faculty age 70 and above.

Approximately 25 percent of faculty are 55 and above as compared to 9 percent of P&S and 14 percent of merit. Employees 65 and above are as follows:

Faculty	4 percent
P&S	0.65 percent
Merit	1.33 percent

Regent Dorr asked whether the modified policy was more or less expensive than the earlier policy. Director Williams responded that when combining the one-year retirement incentive program that was approved by the Board last month with these two programs, the amount of money was about the same.

MOTION:

Regent Dorr moved to (1) approve continuation of the early retirement program as currently structured through June 30, 2002, and (2) approve continuation of the phased retirement program as currently structured through June 30, 2002. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

BOARD OFFICE PERSONNEL TRANSACTIONS. The Board Office reported there were no transactions on its Register of Personnel Changes.

APPROVAL OF VENDOR WITH POTENTIAL CONFLICT OF INTEREST. The Board Office recommended the Board approve the request of the University of Northern Iowa to add JoAnn Schnabel to the list of approved vendors with a potential conflict of interest.

JoAnn Schnabel is an Associate Professor in the Department of Art at the University of Northern Iowa whose position includes teaching all ceramics classes and managing and maintaining the Ceramics Lab.

JoAnn Schnabel was asked by The Art and Architecture Committee at the University of Northern Iowa to submit slides, a resume and a proposal for an art project. The Art and Architecture Committee wishes to purchase Ms. Schnabel's piece of art for the McCollum Science Hall renovation project.

JoAnn Schnabel states that she does not play a role in the Art and Architecture Committee and has no influence in any decision made for art projects.

The 1990 Session of the General Assembly in House File 2057 amended Section 68B.4 of the Code of Iowa, which prohibits an official or employee of a regulatory agency from selling goods or services to the agency of which the individual is an official or employee. The amendment allowed for exceptions to the prohibition if certain conditions are met, including prior authorization of such sales by roll call vote of the Board.

MOTION: Regent Tyrrell moved to approve the request of the University of Northern Iowa to add JoAnn Schnabel to the list of approved vendors with a potential conflict of interest. Regent Dorr seconded the motion, and upon the roll being called, the following voted:
AYE: Dorr, Kennedy, Lande, Mahood, Newlin, Pellett, Tyrrell.
NAY: None.
ABSENT: Smith.

MOTION CARRIED.

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

July 17-18, 1996	Iowa State University	Ames
September 17-18	University of Iowa	Iowa City
October 16-17	University of Northern Iowa	Cedar Falls
November 20-21	Iowa State University	Ames
December 17		Des Moines
January 15, 1997	Telephonic	
February 19-20	University of Iowa	Iowa City
March 19-20	Iowa State University	Ames
April 16-17	University of Northern Iowa	Cedar Falls

ACTION: President Newlin stated the Board accepted the Board Meetings Schedule, by general consent.

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

Regent Tyrrell stated that there were a couple of issues addressed in the Chronicle of Higher Education which he thought the Regents might want to investigate. One is the pay now/study later program that many states have which allows students to prepay their tuition. The other issue concerns Maine's system of distance learning which he said is going to be an increasingly important issue in the state of Iowa. He questioned whether the Board of Regents might wish to appoint an ad hoc committee to look into the pay now/study later programs of other states, and to report back on whether the matter should be included as a Regents' legislative issue. With regard to distance learning, he said it was interesting to learn how the program has worked in Maine. There are some pros and cons, and he thought it would be well for the Regents to study the Maine program.

President Newlin suggested that the issue be discussed at the next Regents meeting. He asked that the Board Office copy and distribute the above-mentioned articles to all Regents.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, June 19, 1996.

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

Register of Personnel Changes for April and May 1996.

Approve the reappointments of DOUGLAS TRUE as Treasurer and DOUGLAS YOUNG as Secretary in accordance with Chapter 262.9 of the Code of Iowa for the fiscal year beginning July 1, 1996.

Accept the appointment of MELANIE C. DREHER, Ph.D., as Dean of the College of Nursing effective January 15, 1997, at an annual salary of \$140,000.

Accept the revised resignation date of GERALDENE FELTON as Dean of the College of Nursing from June 30, 1996, to January 15, 1997.

University officials reported two additional promotion and tenure actions. The Board will receive a full analytical report on faculty promotion and tenure in the fall.

President Coleman presented the following supplemental personnel docket item:

Approve the appointment of Jon Whitmore as Provost and Professor with tenure in the Department of Theatre Arts at an annual salary of \$172,000 effective August 1, 1996.

President Coleman said the university received 200 nominations and 100 applications for the position of provost. The search committee recommended six individuals for campus visitations. Dr. Coleman visited the location of the top candidates and interviewed people who worked with and for the candidates. She was extremely impressed during her visit to the University of Texas-Austin.

President Coleman stated that Dr. Whitmore is currently Professor of Dramatic Arts and the Dean of Fine Arts at the University of Texas-Austin. He has held that position since 1990. She described his career prior to his arrival at the University of Texas as well as his educational background. She said he has had extensive administrative experience. When Dr. Whitmore arrived at the University of Texas-Austin, the fine arts college faced critical problems. In six short years the college has become well regarded on the campus. He has made a dramatic difference in the college and is truly a "star". She said he is a superb individual and she was confident that the Regents would be

delighted that Dr. Whitmore was selected for the position of Provost at the University of Iowa.

MOTION: Regent Kennedy moved to ratify personnel transactions, as presented. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin recognized Interim Provost Becker for his contributions in the interim position, and said the Regents would have another opportunity to thank him at a later date.

President Coleman stated that without Interim Provost Becker, her integration into the University of Iowa would have been much more difficult. He has been an absolute delight to work with and she hoped he would remain at the university a little longer to assist in the transition. She expressed her profound appreciation to Sam Becker.

COURSE CHANGES. The Board Office recommended the Board refer the proposed course changes at the University of Iowa to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation.

University of Iowa officials requested approval of proposed course changes, as follows:

College of Dentistry

The College of Dentistry course changes included adjustments to reflect more accurately the course content of Dentistry courses, course title changes, dropping of graduate courses as departments shift to the Masters degree in Oral Science and the final phase out of dental hygiene courses.

College of Medicine

The major goals of the College of Medicine's new medical curriculum for the first two years of the educational process are to improve both the horizontal and vertical integration of material; to define core content and its clinical relevance; to provide earlier patient contact; and to assist students in assuming a greater role in their education by promoting the transition to adult style learning patterns. The major thrust of the proposed course changes is the implementation of these goals.

College of Nursing

A survey in the College of Nursing over the proposed course changes reflects the turmoil in nursing education and the attempts of the faculty to assure that the curriculums reflect more collective reality. The changes are in line with the four-year curriculum requirement, and the new GER policy decided by the SUI Faculty Council. The college reports that it is making serious efforts to overcome the shortcomings found in the value added to student learning from such factors as teaching quality, tailoring the environment, and making the learning process more effective.

College of Pharmacy

The course changes in the College of Pharmacy continue to be based on the conversion to the new Doctor of Pharmacy degree program. Specialty clerkships have been individually identified by more descriptive names than in the past. This appears to have created many more courses, but this is not really the case since most were listed simply as elective clerkships in the old program. Additional clerkships may be added in the future as the college expands its breadth in the clinical area as the Pharm.D. program matures.

College of Liberal Arts

Continuing a trend that began last year, departments and programs in the Liberal Arts added fewer new courses than in recent years. This year more courses were dropped than added. Sometimes new courses were created to strengthen undergraduate education, many new courses were added to reflect the changes in graduate-level curricula.

Because a student's first contact with a course is through the title, departments strive to create clear and informative titles. Course number changes are the result of a department or program reevaluating a course and using the number to signal to students the level of difficulty or content. Departments and programs also reevaluated the credit hours associated with various courses, and made adjustments to reflect the amount of work required of students.

College of Business Administration

Changes in the College of Business Administration include conversion of another required undergraduate course from teaching assistant taught to faculty taught. With this course change, only two specific accounting courses required of all students for the B.B.A. will be taught by teaching assistants (many of whom are Certified Public Accountants). Other course changes include the addition of an ethics course, a course on the web that takes advantage of the Pappajohn facilities to introduce students to electronic commerce, and new courses in entrepreneurship facilitated by the recent gift to the Pappajohn Entrepreneurial Center.

College of Education

For the past two years the College has reduced the number of offerings for the following reasons: faculty retirements or faculty leaving for other positions who were not replaced; non-required courses with small enrollments were discontinued; the discontinuation of the graduate program in marriage and the family; and the decision to reduce the number of low enrollment graduate courses to assign more faculty to undergraduate classes. New courses were added to meet accreditation and teaching licensure requirements in several programs and the addition of new faculty bringing new expertise to the College including some in educational technology.

College of Engineering

Course changes reflect changes in Engineering practices and technology such as the use of computers and information systems to solve problems. Additional changes reflect the growth areas within the College such as civil and electrical engineering.

College of Law

Two major curricular trends represented in the most recent course changes: 1) Expanding opportunities for study in international and comparative law; and 2) Increased emphasis on practical skills training.

ACTION: This matter was referred by consent.

RETIREMENT PROGRAM PROPOSAL. The Board Office recommended the Board approve the proposal from the University of Iowa for a retirement window of July 1 through December 31, 1996, with a maximum number of 100 participants.

At the May meeting, the Board approved the Retirement Incentive Program. The program allows for establishment of a window period in which employees may seek approval for retirement with benefits under the program.

University officials proposed to allow employees to make application for retirement under the Retirement Incentive Program between July 1 and December 31, 1996. Participation will be limited to 100 participants.

The University of Iowa and its academic health center face the immediate need to adjust staffing to better position the institution to meet the challenges of a changing health care environment.

MOTION: Regent Dorr moved to approve the proposal from the University of Iowa for a retirement window of July 1 through December 31, 1996, with a maximum number of 100 participants. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS

Engineering Building Modernization/Addition

The program statement is a comprehensive assessment of the academic programs of the College of Engineering and the space requirements for those programs. This is done within the constraint of an overall budget which is estimated at \$26,425,000. The 1996 General Assembly authorized \$14,140,000 for this project. As outlined in the FY 1997 capital plan, gifts and grants will provide the majority of the other funding. The estimated project budget reflects a balance of basic renovation of the existing building and construction of a new addition to achieve the most economical improvement from the available funds.

The goals of the Engineering Building Modernization/Addition project are as follows:

- Dramatically improve the learning environment for students and relieve overcrowding of classrooms, library facilities, laboratories and offices;
- Improve and modernize outdated facilities in the existing building and create a facility which meets projected future needs in teaching, instructional laboratories and research;
- Improve and expand the library facilities and student study space, including development of a new Learning Center, incorporating both electronic and printed media;
- Create a physical environment which greatly enhances interactive exchange between students and faculty and promotes cooperative learning among students, including the development of new public areas or "commons" that will encourage students to interact, gather and study;
- Provide state-of-the-art electronic classroom and communication facilities to provide increased access to the Iowa Communications Network and closer linkages with other university colleges as well as teaching and research institutions in Iowa and throughout the world;
- Provide a sense of identity and arrival to the Engineering Building, enhancing its presence on the campus and encouraging use by students, faculty and the public;
- Provide a unified facility which encourages interdisciplinary study of all branches of engineering in a single complex, contributing to a unique educational experience;

- Provide facilities which are easily adaptable to changing needs in both teaching and research.

The completed Engineering Building Modernization/Addition project will result in an increase in teaching and research space of approximately 45 percent.

The addition to the Engineering Building, which will total approximately 69,000 gross square feet, will provide state-of-the-art classrooms, new instructional laboratories, an increase in modern research laboratory space, and improved circulation within the expanded Engineering Building complex. The addition will also address the need for informal congregation areas for students and faculty.

The addition will consist of 41,540 net assignable square feet of space which will include 32,140 square feet of laboratory and support space, 6,400 square feet of classroom space, and 3,000 square feet of office space. The new facility will be equipped with modular furnishings to accommodate future changes in the College's direction and initiatives and to allow relocation of instructional space from the existing building to meet new challenges in teaching, research and learning techniques.

The area of the existing building to be renovated totals approximately 85,000 gross square feet. The renovation of this area will include expansion of the library into a modern Learning Center that will support new learning methodologies. The renovation project will also provide improvements in teaching, research and office space, as well as building access and circulation. In addition, the renovation will include the correction of fundamental building deficiencies involving fire safety, accessibility, and deferred maintenance, as well as replacement of inadequate HVAC, electric and data communications systems, and an upgrade of the building utility systems.

The area to be renovated consists of 51,254 net assignable square feet of space which will include 14,860 square feet for the Learning Center, 13,244 square feet of office space, 7,965 square feet of laboratory space, 2,436 square feet of classroom space, and 12,749 square feet of space for other purposes.

The development of an adequate entrance that welcomes students, faculty and visitors to the building will be addressed in both the existing building, and because of site considerations, in the addition as well.

The planning process has determined the need to phase the project in order to accommodate the needs of the College of Engineering for expanded space and modernization of existing space. The construction of the addition will precede the renovation of the existing facility. Completion of the addition will allow major portions of the existing building to be vacated to accommodate the remodeling.

The project will require the relocation of the Public Safety Department which presently occupies a building located at the southeast corner of the site of the new addition. It will also be necessary to displace the radio stations WSUI and KSUI. These programs are located in the ideal place for economical expansion of the library and the new associated Learning Center. Vacation of this space will also permit the creation of a primary entrance facility for the building. The university is presently studying alternatives for relocating these programs and will make recommendations when that planning is complete.

University officials, including Dean Richard Miller, and representatives from the project architects gave a brief presentation on the program statement and reviewed the progress on the project.

PROJECT DESCRIPTIONS AND BUDGETS

Laundry Facility Replacement

\$3,800,000

Source of Funds: Master Lease Program

Preliminary Budget

Construction	\$ 1,218,000
Equipment and Installation	2,300,000
Design, Inspection and Administration	122,000
Contingencies	<u>160,000</u>
 TOTAL	 <u>\$ 3,800,000</u>

University officials requested approval of a project description and budget in the amount of \$3.8 million. The university laundry facility is in need of replacement. A replacement facility is essential for maintaining high quality and low cost laundry services to university departments, particularly the University of Iowa Hospitals and Clinics.

The current facility processes approximately 8 million pounds of soiled material each year of which approximately 5.9 million pounds is from University Hospitals. The UIHC volume is expected to remain relatively constant for the foreseeable future. The Department of Residence Services, Iowa Memorial Union, Physical Plant and Hancher Auditorium are other large contributors among 160 units and departments served by the central laundry facility.

This project will replace the current 18,000 square foot outdated facility with a modern 27,000 square foot pre-engineered metal building and will replace the majority of the production equipment. The proposed building will be constructed on a minimum of three acres of leased land. Site improvements and utilities are also included in the project.

University officials proposed to finance the project through the master lease program with lease payments from Laundry Service revenues. Savings from operating efficiencies of the new plant are expected to be sufficient to fund the lease payments with no service rate increases anticipated. Master Lease financing for the project is subject to approval of the Banking Committee, which will consider this request at its meeting on Wednesday, June 19.

NOTE: PLEASE REFER TO MOTION ON PAGE 1044 OF THESE MINUTES CONCERNING THIS PROJECT.

Trowbridge Hall--Correct Fire Safety Deficiencies \$463,000

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

Preliminary Budget

Construction	\$ 365,500
Design, Inspection and Administration	
Consultants	40,700
Architectural/Engineering Services	19,500
Contingencies	<u>37,300</u>
 TOTAL	 <u>\$ 463,000</u>

University officials requested approval of a project description and budget to correct fire safety deficiencies in Trowbridge Hall. The corrections address inspections of the State Fire Marshal and the application of the Fire Safety Evaluation System.

The project will include the following: separating hazardous areas with one-hour construction; enclosing open vertical spaces with two-hour construction; installing fire-rated doors as required in all stairways; replacing the fire alarm system and installing smoke detection devices in corridors; removing wood paneling in the east stairway; replacing corridor doors as required; sealing corridor wall and ceiling penetrations; providing a second exit from room 327; and installing new emergency lights and exit signs throughout the building.

Wendell Johnson Speech and Hearing Center--Correct \$255,000
Fire Safety Deficiencies

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

Preliminary Budget

Construction	\$ 190,650
Design, Inspection and Administration	
Consultants	34,520
Architectural/Engineering Services	10,730
Contingencies	<u>19,100</u>
 TOTAL	 <u>\$ 255,000</u>

University officials requested approval of a project description and budget to correct fire safety deficiencies in the Wendell Johnson Speech and Hearing Center. The corrections address inspections of the State Fire Marshal and the application of the Fire Safety Evaluation System.

The project will include the following: sealing wall penetrations in various locations with fire rated material; replacing doors as required; installing fire dampers in ductwork as required; replacing the fire alarm system; and installing fire detection devices in corridors and hazardous areas (shops, mechanical rooms, custodial rooms, and storage rooms).

Library Area Master Plan--North Pedestrian Walkway
and South Plaza Developments
\$1,338,000

Original Budget \$1,771,500
Revised Budget

Project Budget

	<u>Original Budget June 1995</u>	<u>Revised Budget June 1996</u>
Construction	\$ 1,385,000	\$ 1,020,000
Design, Inspection and Administration		
Consultants	185,150	185,000
Architectural/Engineering Services	62,850	63,000
Contingencies	<u>138,500</u>	<u>70,000</u>
 TOTAL	 <u>\$ 1,771,500</u>	 <u>\$ 1,338,000</u>

Source of Funds:

Income from Treasurer's Temporary Investments and Building Renewal	\$ 1,281,500	
Income from Treasurer's Temporary Investments		\$ 608,000
Building Renewal		400,000
Gifts to the University	400,000	240,000
Parking Operations	<u>90,000</u>	<u>90,000</u>
 TOTAL	 <u>\$ 1,771,500</u>	 <u>\$ 1,338,000</u>

University officials requested approval of a revised project budget in the amount of \$1,338,000, a decrease of \$433,500, which reflected lower project costs than included in the preliminary budget because of the receipt of excellent construction bids.

The preliminary budget approved in June 1995 included an unspecified amount from Building Renewal funds and Income from Treasurer's Temporary Investments. The revised budget also reflected the distribution of these fund sources.

* * * * *

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

ARCHITECT/ENGINEER AGREEMENTS

National Advanced Driving Simulator \$290,600
Neumann Monson, Iowa City, Iowa

University officials requested approval of the negotiated agreement. The agreement provides for a fee of \$290,600, including reimbursables.

Laundry Facility Replacement \$88,000
Phillips and Associates, Arden Hills, MN

University officials requested approval to enter into an agreement with Phillips and Associates to provide documents needed for the design/build contract. The firm, which concentrates its consulting engineering work entirely in the field of laundry facilities, will put together the basic documents to allow design/build contractors to bid on the building portion on a fair and equal basis. The agreement provides for a fee of \$88,000, including reimbursables.

NOTE: PLEASE REFER TO MOTION ON PAGE 1044 OF THESE MINUTES CONCERNING THIS PROJECT.

Institute of Hydraulic Research Modeling Facility--Oakdale Campus \$38,000
Shive-Hattery, Iowa City, Iowa

University officials requested approval of the negotiated agreement. The agreement provides for a fee of \$38,000, including reimbursables.

University Hospitals and Clinics--Fire/Smoke Zone Compliance and HVAC System Replacement--First Floor General Hospital \$35,000
Design Engineers, Cedar Rapids, Iowa

University officials requested approval to enter into an agreement with Design Engineers to provide design services for the project. The agreement provides for a fee of \$35,000, including reimbursables.

Water Plant--Laboratory Remodeling \$34,325
Kruse Associates, Iowa City, Iowa

University officials requested approval to enter into an agreement with Kruse Associates to provide design services for the project. The agreement provides for a fee of \$34,325, including reimbursables.

Biological Sciences Renovation/Replacement--Phase I \$1,290,500
Brooks Borg and Skiles, Des Moines, Iowa

University officials requested approval to enter into an agreement with Brooks Borg and Skiles for design services for Phase I of the project. The university received a capital appropriation in FY 1996 of which \$550,000 was used for planning for the project. The 1996 General Assembly authorized a capital appropriation for FY 1997 in the amount of \$14,900,000 which will provide partial funding for Phase I of the project. This phase will include construction of the new facility and renovation of the Biology Annex Building.

The agreement with Brooks Borg and Skiles will provide for the preparation of programming, schematic design documents, final plans and specifications and construction administration for Phase I. The agreement provides for a fee of \$1,290,500, including reimbursables.

Amendments:

Campus Fiber Optic Network--Project 3

Amendment #5

\$7,973

Shive-Hattery, Iowa City, Iowa

University officials requested approval of Amendment #5 to the agreement with Shive-Hattery for the Campus Fiber Optic Network--Project 3. The amendment will provide additional design services to include telecommunication closets on the Medical Campus. The amendment will also provide construction phase services for the project. Amendment #5 will not result in an increase in the total project budget.

Campus Fiber Optic Network--Project 1

\$35,556

Shive-Hattery, Iowa City, Iowa

Hospital Parking Ramp No. 2--Remodel Offices, Provide Campus Access

\$7,100

and Lobby Area

The Durrant Group, Dubuque, Iowa

University Hospitals and Clinics--Emergency Generator Room

\$3,910

Fire Suppression Systems

A and J Associates, Iowa City, Iowa

CONSTRUCTION CONTRACTS

Campus Fiber Optic Network--Project 7, Contract 1--
Outside Plant Fiber

\$249,871.00

Award to: Communication Innovators, Altoona, Iowa
(3 bids received)

Schaeffer Hall--Remodeling and Renewal--Electrical
Transformer Vault

\$222,696.00

Award to: McComas-Lacina Construction Company, Iowa City, Iowa
(2 bids received)

University Hospitals and Clinics--Carver Pavilion West Mechanical
Equipment Upgrade

\$210,270.00

Award to: R. M. Boggs Company, Iowa City, Iowa
(4 bids received)

Schaeffer Hall--Remodeling and Renewal--Casework Package

\$131,053.00

Award to: McComas-Lacina Construction Company, Iowa City, Iowa
(2 bids received)

Campus Fiber Optic Network--Project 5, Contract 3--Eastlawn

\$20,409.31

Award to: Communication Innovators, Altoona, Iowa
(5 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

University Hospitals and Clinics--Replace Building HVAC Controls

Johnson Controls, Cedar Rapids, Iowa

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

McComas-Lacina Construction Company, Iowa City, Iowa

Bowen Science Building--Install Fire Alarm--Phase 2

Protex Central, Hastings, NE

Pharmacy Building Addition Utilities--Chilled Water

Modern Piping, Cedar Rapids, Iowa

Pharmacy Building--Remodel Zopf Auditorium

O. F. Paulson Construction Company, Cedar Rapids, Iowa

MOTION: Regent Lande moved to approve the university's capital register, omitting the Laundry Facility Replacement project. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

LEASES OF PROPERTIES. The Board Office recommended the Board approve the following leases:

University officials requested approval of lease agreements as lessor with the following tenants for business incubator space in the Technology Innovation Center at the Oakdale Campus:

With Response Television Corporation for its use of 355 square feet of space at the rate of \$355 per month (\$12 per square foot, \$4,260 per year) for a six-month period;

With Breakthrough, Inc., for its use of 5,769 square feet of space at the rate of \$6,462.33 per month (\$15 per square foot for 4,952 square feet of office space and \$4 per square foot for 817 square feet of storage space, \$77,547.96 per year) for a one-year period; and

With EnzyMed, Inc., for its use of 2,874 square feet of space at the rate of \$2,187 per month (\$10 per square foot for 2,250 square feet of laboratory space and \$6 per square foot for 624 square feet of office space, \$26,244 per year) for a one-year period.

University officials requested approval to renew its lease as lessee with Towncrest Investment Associates for the university's use of 410 square feet of office space located in the Brewery Square Office Building, Iowa City, Iowa, for use by the Office of the State Archaeologist, at the rate of \$444 per month (\$13 per square foot, \$5,328 per year) for a one-year period.

MOTION: Regent Tyrrell moved to approve leases, as presented. Regent Kennedy seconded the motion, and upon the roll being called, the following voted:
AYE: Dorr, Kennedy, Lande, Mahood, Newlin, Pellett, Tyrrell.
NAY: None.

ABSENT: Smith.

MOTION CARRIED.

SUBSTITUTION OF CO-TRUSTEE ON LAURENCE R. FAIRALL TRUST. The Board Office recommended that the Board approve the designation of Michael Finnegan, University Business Manager, as co-trustee on the Laurence R. Fairall Trust, replacing Ray Mossman, Special Assistant to the Vice President for Finance and University Services.

The Last Will and Testament of Laurence R. Fairall, who was deceased in 1973, established a testamentary trust which funds a scholarship endowment program at the University of Iowa.

The Board of Regents and a university administrator have been serving as co-trustees since 1977, when a change in Iowa law allowed the Board to act as trustee. This arrangement has allowed the Board to empower the university administrator to act as an agent on the Board's behalf in the performance of the co-trustee duties.

Since 1987, Ray Mossman, Special Assistant to the Vice President for Finance and University Services, has served as the university administrator. University officials wish to designate Michael Finnegan, University Business Manager, as co-trustee of the Laurence R. Fairall Trust, replacing Ray Mossman.

MOTION: Regent Kennedy moved to approve the designation of Michael Finnegan, University Business Manager, as co-trustee on the Laurence R. Fairall Trust, replacing Ray Mossman, Special Assistant to the Vice President for Finance and University Services. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

PERMANENT AND TEMPORARY EASEMENT TO THE CITY OF IOWA CITY FOR WATER MAIN CONSTRUCTION. The Board Office recommended the Board authorize a permanent easement and a temporary construction easement with the City of Iowa City on behalf of the University of Iowa for the installation of a water main along the Iowa River, subject to approval of the Executive Council of Iowa.

The City of Iowa City will be undertaking the installation of a 16 inch diameter water main along the east bank of the Iowa River. The water main will be installed from the existing Iowa City Water Treatment Plant located adjacent to North Hall, northward to wells located adjacent to the Iowa River near the Iowa City Elks Club. The water main will convey raw water from the wells to the water plant for treatment and will later be used to distribute treated water after the city's new water plant is constructed.

To install the new main, the city will need to acquire permanent and temporary easements from the university extending from the existing water treatment plant near North Hall northward along the east side of the Iowa River to a point just past the Hancher Pedestrian Bridge.

There are currently two permanent easements existing along the same area for a sanitary sewer line and a water main; the proposed permanent easement will consolidate the existing easements.

In addition to the permanent easement city officials requested a temporary construction easement described as a 50 foot wide strip of land centered on the proposed water main alignment; the vast majority of the temporary easement is included within the permanent easement area. The project will include construction of a bike trail along the water main route as part of the construction restoration.

The agreements were reviewed by the Attorney General's Office and were recommended for approval.

MOTION: Regent Tyrrell moved to authorize a permanent easement and a temporary construction easement with the City of Iowa City on behalf of the University of Iowa for the installation of a water main along the Iowa River, subject to approval of the Executive Council of Iowa. Regent Mahood seconded the motion, and upon the roll being called, the following voted:
AYE: Dorr, Kennedy, Lande, Mahood, Newlin, Pellett, Tyrrell.
NAY: None.
ABSENT: Smith.

MOTION CARRIED.

REIMBURSEMENT RESOLUTION FOR INSTITUTE OF HYDRAULIC RESEARCH MODELING FACILITY AT THE UNIVERSITY OF IOWA. The Board Office recommended the Board adopt a master lease reimbursement resolution for the Institute of Hydraulic Research Modeling Facility at the University of Iowa.

University of Iowa officials requested that the Board adopt a reimbursement resolution declaring its intent to provide funds under the master lease agreement for reimbursement to the university of certain original expenditures in connection with the construction of a building on the Oakdale campus for use by the Institute of Hydraulic Research Modeling Facility.

At the March 1996 meeting, the Board ratified the Executive Director's approval of the project and budget of \$559,000 for construction of this facility. The building will provide space to construct the Wanapum Dam model which will be used for a study of a comprehensive bypass system to help mitigate declining salmon populations in the Snake and Columbia rivers.

The master lease agreement is one of several financing alternatives for this project being reviewed by the university; if the university decides to utilize the master lease, an approval request will be brought to the Banking Committee at a later date.

The requested adoption of the reimbursement resolution was submitted to the Board at this time to ensure maximum reimbursement capability to the university under the regulations of the Internal Revenue Code relative to issuance of tax-exempt debt, which

limits reimbursements for payments made to a maximum of 60 days prior to passage of the resolution or April 19, 1996, in this instance.

Funding for the lease payments would be provided by grant funds of the Institute of Hydraulic Research.

MOTION: The motion for this item can be found under the Report of the Banking Committee, page 1025 of these Minutes.

PARKING RATES. The Board Office recommended that the Board give final approval to parking rates for 1996-1997 at the University of Iowa.

At its May, 1996, meeting the Board gave preliminary consideration to the proposed parking permit rates at the University of Iowa for 1996-1997, as required by Section 10.07, Traffic and Parking Regulations, subsection (C) of the Board of Regents Procedural Guide.

The university's parking system is a self-supporting enterprise; funds required for operation, maintenance and capital improvements are derived from fees assessed to users of the campus parking services. Parking rates were last adjusted in 1990.

Fees proposed for 1996-1997 (Table 1) are in accordance with recommendations by the University of Iowa Parking and Transportation Committee, composed of students, faculty and staff representatives.

TABLE I
UNIVERSITY OF IOWA
PROPOSED 1996-1997 PARKING RATES

	1995 - 1996		Proposed 1996 - 1997		Increase		Percent Increase
	Rate		Rate				
Faculty/Staff Lot Reserved	\$17.00	/mo.	\$18.00	/mo.	\$1.00	/mo.	5.9%
Faculty/Staff Ramp Reserved	25.50	/mo.	27.00	/mo.	1.50	/mo.	5.9%
Commuter	4.25	/mo.	4.50	/mo.	0.25	/mo.	5.9%
Storage	8.00	/mo.	8.50	/mo.	0.50	/mo.	6.3%
Evening Ramp	17.00	/mo.	18.00	/mo.	1.00	/mo.	5.9%
Evening Lot	8.50	/mo.	9.00	/mo.	0.50	/mo.	5.9%
Student Meter Parking	0.30	/hr.	0.40	/hr.	0.10	/hr.	33.3%
Library Lot	0.30	/hr.	0.40	/hr.	0.10	/hr.	33.3%
Public Meter Parking	0.40	/hr.	0.50	/hr.	0/10	/hr.	25.0%

MOTION: Regent Dorr moved to give final approval to parking rates for 1996-1997 at the University of Iowa. 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 the University of Iowa. There were none.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, June 19, 1996.

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

Register of Personnel Changes for May 1996 which included fourteen requests for early retirement and three requests for phased retirement.

Approve the reappointments of MARGARET PICKETT as Secretary and JOAN THOMPSON as Treasurer in accordance with Chapter 262.9 of the Code of Iowa for the fiscal year beginning July 1, 1996.

Approve the appointment of DAVID M. ROEDERER, of Iowa State University, to the Iowa Workforce Development Board, effective July 1, 1996, for a two-year term.

MOTION: Regent Kennedy moved to approve the university's personnel transactions, as presented. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

ACCEPTANCE OF POST-AUDIT REPORT. The Board Office recommended the Board refer the post-audit report on Rhetoric and Professional Communication to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials submitted a post-audit report on the Rhetoric and Professional Communication Ph.D. program. A preliminary review of the post-audit report on this program appears to indicate that the program has met or exceeded the objectives initially set for this program.

ACTION: This matter was referred by consent.

APPROVAL OF NEW B.A. MAJOR AND MINOR. The Board Office recommended the Board refer the proposed new program major and minor in the Performing Arts request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to create a new undergraduate major and minor called "Performing Arts." The degree will be based on existing coursework offered by the existing programs in Music and Theatre.

The goal of this curriculum is to produce graduates with a well-rounded liberal arts education and a concentration in the performing arts. It is anticipated that graduates of this program will be well prepared for the work force and graduate schools.

By providing a strong cross-disciplinary undergraduate major the proposed program will meet the need of students in the performing arts who need a major listed on their diplomas which reflects their specific skills, training, and employment goals.

The proposed "minor" will provide a secondary undergraduate field of study for students interested in using the performing arts to supplement their primary interests. The proposed major in Performing Arts has been a part of the Strategic Plan of the College of Liberal Arts.

The proposed program follows all requirements for a baccalaureate degree from the College of Liberal Arts and Sciences including a minimum of 124.5 semester credits. The program includes a core curriculum of 24 credit hours in specified music, theatre and dance courses plus 24 credit hours in theatre and dance for each of three emphases -- Dance, Acting/Directing, and Theatrical Design.

Neither the University of Iowa nor the University of Northern Iowa offers a Bachelor of Arts degree in the Performing Arts. Neither has a specific program with a core that combines the three areas of music, theatre and dance.

ACTION: This matter was referred by consent.

APPROVAL OF NAME CHANGE OF MAJOR. The Board Office recommended the Board approve the request to change the name of the major in General Studies to Interdisciplinary Graduate Studies.

Iowa State University officials requested approval to change the name of the major which offers an M.S. and M.A. in Interdisciplinary Graduate Studies. The proposed name will reflect more accurately the kinds of programs students plan, and it is more comparable of similar programs in other universities.

There are no budgetary implications for this change.

ACTION: This request was approved by consent.

APPROVAL OF DISCONTINUATION OF MASTER OF SCIENCE AND PH.D. DEGREE. The Board Office recommended the Board refer this request to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation.

Iowa State University officials requested approval to discontinue the Master of Science and Ph.D. in Nuclear Engineering. The reason for this request is the low level of interest in this area of study at Iowa State University and other universities due to the bleak future for nuclear energy.

In 1995, there was one M.S. student and one Ph.D. student enrolled. Both of these students have completed their course requirements in nuclear engineering so no further courses in this area are needed. Each student will have completed his degree by December 31, 1996.

Any funds made available as a result of the discontinuance of this program will be reallocated in the Engineering programs. The faculty affected by the discontinuance are now teaching Mechanical Engineering courses.

The UTR-10 Nuclear Reactor will be decommissioned at an estimated cost of \$2 Million. The source of the funding for the decommissioning has not been determined.

ACTION: This matter was referred by consent.

APPROVAL OF DISCONTINUATION OF MASTER OF ENGINEERING DEGREE. The Board Office recommended the Board refer the proposal to discontinue the Master of Engineering Degree in Electrical Engineering and in Computer Engineering at Iowa State to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation.

Iowa State University officials requested the discontinuance of the Master of Engineering in Electrical Engineering and in Computer Engineering (both non-thesis) to be replaced by a non-thesis option for the Master of Science in Electrical Engineering and in Computer Engineering.

The vast majority of Master degree students pursue the Master of Science instead of the Master of Engineering Degree. Enrollment in the Master of Engineering is 19, while 194 are enrolled in the Master of Science program.

This action would bring the degrees offered in line with other degree offerings of the college.

Students currently enrolled in the programs to be discontinued will be allowed to complete the program consistent with Board policy.

ACTION: This matter was referred by consent.

APPROVAL OF DISCONTINUATION OF AN UNDERGRADUATE CURRICULUM. The Board Office recommended the Board refer the university's request to the Board Office and Interinstitutional Committee on Educational Coordination for review and recommendation.

Iowa State University officials requested approval to discontinue the undergraduate curriculum in teaching prekindergarten-kindergarten. This program was being discontinued due to the discontinuation of licensure by the State Board of Educational Examiners. The curriculum in early childhood education is now the appropriate path to licensure.

Students currently in the program have been advised of the change in licensure and may choose to change to the early childhood curriculum, most have already done so. The program will continue until all the students have graduated consistent with Board policy.

Resources freed up by the discontinuance of this program will be utilized by the early childhood program.

ACTION: This matter was referred by consent.

APPROVAL OF NEW B.S. INTERDEPARTMENTAL MAJOR. The Board Office recommended the Board refer the university's request to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation.

Iowa State University officials requested approval to create a new major in Environmental Science for the B.S. interdepartmental degree in the College of Liberal Arts. The proposed undergraduate major will provide an interdisciplinary program in environmental science which will focus on the application of basic science to environmental issues. The university already has an approved Environmental Science secondary major.

The proposed major was designed to provide an integrated interdisciplinary approach to environmental science and emphasizes two principles: (1) a scientific foundation; and (2) integration and systems analysis. The latter assures that graduates must be capable of integrated analysis of environmental systems.

The Departments of Agronomy, Botany, Chemistry, Forestry, and Geological and Atmospheric Sciences have agreed to contribute the effort of the core faculty as part of their normal teaching and advising load. The Department of Chemistry has agreed to develop and staff an environmental analytical laboratory course using funds from a private grant for course development.

Iowa State University is currently the only Regent institution to offer a formal undergraduate "Environmental" major, the Environmental Studies major. However, undergraduate students interested in environmental science may currently elect environmental "options" or "emphases" at all three Regent universities.

The program has not yet been approved by the Iowa Coordinating Council for Post-High School Education. Approval of the Regents will be contingent on approval of the council.

University officials estimate that the cost for implementing the program for the first two years to be about \$42,300 for graduate assistants and general expense. The funds for these expenses will come from the Colleges of Agriculture and Liberal Arts.

This program is consistent with the mission of Iowa State University.

ACTION: This matter was referred by consent.

ENGINEERING PROGRAM AT KIRKWOOD COMMUNITY COLLEGE. The Board Office recommended the Board receive the report from Iowa State University on its proposed Engineering program at Kirkwood Community College.

Iowa State University officials have taken action to establish a baccalaureate degree in Electrical Engineering at Kirkwood Community College in Cedar Rapids which begins in June 1996.

President Jischke discussed the initiative at Iowa State University which he said demonstrates the university's responsiveness to community needs. The program is an example of cooperation among the community colleges and Regent institutions, and takes advantage of the state's new fiber optic communication network.

Dean Melsa described the proposed program in electrical engineering, to be delivered on the Iowa Communications Network. He said university officials believe this is a

unique way of leveraging the tremendous investment the state has made in higher education and of taking university programs into new locations. He concluded his presentation with a one-minute videotape of a class offered this summer which gave a flavor for how these courses are offered.

President Jischke stated that Iowa State University officials had one week in which to respond to the request to provide this service to students in the Cedar Rapids area. The competition for providing this program was not from within Iowa. He said that once the coursework is being provided to one site on the fiber optics system, it is easily distributed to other sites around the state.

Regent Kennedy expressed pleasure at being shown how the classroom works. She then asked how instructors are trained to use this technology and how academic advising is provided to students.

Dean Melsa responded that college officials guide the instructors. Instructors are videotaped providing instruction and are then provided with feedback. Instructors talk to others who have taught classes on the network about what works and what doesn't.

With regard to advising students, Dean Melsa said there is an advisor at Kirkwood who works with students their first two years. The advisor is familiar with the program and knows what prerequisites students need their first two years. Iowa State University representatives also go to Kirkwood to talk with these students. College representatives are also electronic mail contacts for students. He concluded by stating that there are many different mechanisms being used to facilitate student advising.

Regent Mahood asked what degree students receive when they graduate after attending two years at Kirkwood and two years at Iowa State University. Dean Melsa responded that students receive a Bachelor of Science in Electrical Engineering from Iowa State University.

Regent Mahood asked to which institution tuition is paid. Dean Melsa responded that during the first two years tuition is paid to Kirkwood because students are taking Kirkwood courses, and the last two years tuition is paid to Iowa State University.

Regent Tyrrell asked about library facilities. Dean Melsa stated that students can access electronically nearly all library materials they might need. He said the number of books in one's library is less important than the number of books that can be accessed electronically. University officials did not see access to library materials as a problem.

Regent Pellett questioned whether university officials have much interaction with students the first couple of years other than articulation concerning courses they need. Dean Melsa responded affirmatively, stating that university officials are available to guide the students. However, to a large extent the students will be guided by the advisors at Kirkwood who are being guided by university representatives.

Regent Pellett asked if Iowa State University furnishes any classes to the students during their first two years. Dean Melsa responded affirmatively. He said that currently there are a couple of classes that Kirkwood cannot offer because it is not geared up with all the necessary faculty. The expectation is that eventually Kirkwood will offer the complete first two years' coursework.

Mr. Richey asked at what point the students are admitted to Iowa State University. What are the admission standards compared to the admissions standards for the College of Engineering at Iowa State University? Dean Melsa responded that the admission standards for these students would be the standard admission requirements. The students would be admitted as juniors, essentially.

Mr. Richey asked if there may be students who attend their first two years at Kirkwood who would not be eligible for admission to Iowa State University for the first two years of their coursework. Dean Melsa responded affirmatively, noting that university officials will guide those individuals.

The Regents expressed support for and delight with the program.

MOTION: Regent Pellett moved to receive the report from Iowa State University on its proposed Engineering program at Kirkwood Community College. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended (1) that the Register of Capital Improvement Business Transactions for Iowa State University be approved, and (2) that the Board approve use of the construction manager approach and grant permission to begin the construction manager selection process for the Engineering Teaching and Research Complex.

PERMISSION TO PROCEED WITH PROJECT PLANNING

Telecommunications-Outside Cable Plant System Upgrade

University officials requested permission to proceed with project planning to upgrade the university's telecommunication system. The upgrades have been prioritized and will be completed in several phases over the next five years. The university will present project descriptions and budgets for the individual projects for Board approval.

The Iowa State University telecommunications underground cable system utilizes a combination of multimode fiber optic and twisted pair copper cables for the voice, data and video operations. The system is 11 years old and is unable to support technology advances for high speed computer data networks and interactive video. An overall system review has identified various deficiencies including a lack of redundancy in critical areas, conflicts with direct buried steam lines, potential flood problems in the Maple-Willow-Larch Commons equipment room, and limited capacity for growth and support of technological changes. The installation of single mode fiber optic cable to serve all major buildings is necessary to support high speed data and interactive video transmissions and to extend service on campus from the Iowa Communications Network.

PROJECT DESCRIPTIONS AND BUDGETS

Utilities--Electric System Improvements--FY 1997

\$360,000

Source of Funds: Utility Repairs

Preliminary Budget

Contracts	\$ 233,000
Design Services	56,000
Project Administration	5,400
University Services	8,000
Miscellaneous	1,000
Utility Extensions	20,000
Project Reserve	<u>36,600</u>
 TOTAL	 <u>\$ 360,000</u>

University officials requested approval of a project description and budget in the amount of \$360,000 to correct deficiencies in the campus electrical system. Electrical service to university buildings is served by a 4,160 volt system of underground switches, high voltage cables, and transformers located in electrical equipment rooms. University officials have identified various areas and equipment in the system that are obsolete, undersized, structurally deficient, potentially dangerous, and not in conformance with current electrical standards where a failure would cause an extended outage. The project will replace two underground electrical switches with properly-rated equipment.

Fire Safety Improvements--FY 1995

\$1,863,650

Original Budget

Revised Budget

\$2,163,650

Project Budget

	Sept. 1995 Budget	Revised Budget June 1996
Contracts	\$ 1,153,700	\$ 1,415,000
Design Services	183,000	247,600
Contract Administration	259,000	231,120
University Services	140,000	264,900
Miscellaneous	11,000	5,030
Project Reserve	<u>116,950</u>	<u>0</u>
TOTAL	<u>\$ 1,863,650</u>	<u>\$ 2,163,650</u>

Source of Funds:

76th General Assembly Capital Appropriation	\$ 1,000,000	\$ 1,000,000
75th General Assembly Academic Building Revenue Bonds	618,650	618,650
General University Funds	<u>245,000</u>	<u>545,000</u>
TOTAL	<u>\$ 1,863,650</u>	<u>\$ 2,163,650</u>

University officials requested approval of a revised project budget in the amount of \$2,163,650, an increase of \$300,000, to complete the ongoing improvements and to include additional fire and life safety deficiency corrections into the project.

The university has incorporated the new fire safety corrections into the existing project to continue its efforts to accomplish all of the fire safety improvements in an efficient manner. The additional corrections will include building egress; updating fire separation materials on walls, ceiling and doors; smoke detection; and updating door hardware. The university will allocate an additional \$300,000 in general university funds to the project budget.

Parking Lots 50A and 50B Improvements
Source of Funds: Parking Systems
\$305,000

Original Budget \$280,000
Revised Budget

Project Budget

	Original Budget <u>Feb. 1996</u>	Revised Budget <u>June 1996</u>
Contracts	\$ 220,400	\$ 244,650
Design Services	37,500	34,300
Project Administration	8,400	9,150
University Services	3,000	3,000
Miscellaneous	1,000	1,000
Landscaping	3,000	3,000
Utility Extensions	1,200	1,200
Project Reserve	<u>5,500</u>	<u>8,700</u>
 TOTAL	 <u>\$ 280,000</u>	 <u>\$ 305,000</u>

University officials requested approval of a revised project budget in the amount of \$305,000, an increase of \$25,000; the project scope has been increased to include lighting for the parking lot.

ARCHITECT/ENGINEER AGREEMENTS

College of Veterinary Medicine--Diagnostic Lab Renovations \$66,500
Rietz Consultants, Ames, Iowa

University officials requested approval to enter into an agreement with Rietz Consultants to provide engineering services for the project. The agreement provides for a fee of \$66,500, including reimbursables.

University Child Care Facility \$111,250
Baldwin White Architects, Des Moines, Iowa

University officials requested approval to enter into an agreement with Baldwin White Architects to provide these services. The agreement provides for a fee of \$111,250, including reimbursables.

Library Storage Building/Administrative Services Facilities Office Building \$38,000
Shiffler Associates, Des Moines, Iowa

University officials requested approval to enter into an agreement with Shiffler Associates to provide schematic design services for the Administrative Services Facilities Office Building portion of the project. The agreement provides for a fee of \$38,000, including reimbursables.

Use of Construction Manager for Engineering Teaching and Research Complex

University officials proposed to utilize the Construction Manager (Cmc) approach to project delivery for the Engineering Teaching and Research Complex and requested permission to begin the construction manager selection process. They proposed to use a competitive, qualification-based process identical to that approved by the Board at the May meeting for the Intensive Livestock Research and Instruction Facilities project. University officials believe this approach would enable the university to attain a higher quality level of construction, lower overall costs, and a shorter construction time than the conventional construction delivery process.

The construction management approach to project delivery involves contracting with a construction manager to provide professional services during the design and construction process with the goal of optimizing the balance between construction cost, construction quality, and construction schedule. Including the construction manager as a part of the design team allows the owner to take advantage of the manager's knowledge of construction means and methods, current material and labor costs, material availability, industry workload, etc. during the preparation of contract documents and the formulation of bid packages for competitive bids. The process allows the bid packages to be fashioned so that they allow maximum use of Iowa contractors on large projects which are beyond the bonding capacity of most local contractors. The process also allows phasing of the bid process to match the design progress on projects which must be completed on an accelerated time schedule. The construction manager's responsibilities would include consultation and value engineering during design, preparation of the construction estimates, preparation of bid packages, scheduling the construction, and management of the various trade contractors.

Amendments:

Beef Nutrition and Management Research Farm-- Amendment #1 \$6,350
Research Housing Renovation
Snyder and Associates, Ankeny, Iowa

University officials requested approval of Amendment #1 in the amount of \$6,350 to the agreement with Snyder and Associates. The amendment will provide for additional services to include the preparation of an additional topographical site survey and additional plans. Amendment #1 will not result in an increase in the total project budget.

Applied Science Center 1--IPRT Advanced Amendment #2 \$13,400
Semiconductor Materials Characterization Laboratories
Giffels Associates, Southfield, MI

University officials requested approval of Amendment #2 in the amount of \$13,400 to the agreement with Giffels Associates. The amendment will provide for additional services resulting from an increase in the project scope. Amendment #2 will not result in an increase in the total project budget.

Telecommunications--Cable Enhancement--FY 1996 \$1,800
Brown Engineering Company, Des Moines, Iowa

Student Health Center \$2,000
Baldwin White Architects, Des Moines, Iowa

CONSTRUCTION CONTRACTS

Beef Nutrition and Management Research Farm--Research Housing--
New Building Shells \$251,448
Award to: Shadwick Construction Company, Independence, Iowa
(5 bids received)

Curtiss Hall--Partial First Floor Remodeling and Air Handling Unit \$480,647
Award to: The Weitz Company, Des Moines, Iowa
(3 bids received)

FINAL REPORTS

Utilities--Increased Chilled Water Capacity--Phase 1 \$2,739,900.00

Insectary--Greenhouse Renovation \$364,044.81

Dairy Industry--Addition and Renovation (Phase 1) \$7,630,775.00

Dairy Industry--Addition and Renovation (Phase 2) \$2,380,910.00

Iowa State Center Soffit Restoration \$337,824.19

MOTION: Regent Mahood moved (1) that the Register of Capital Improvement Business Transactions for Iowa State University be approved, and (2) that the Board approve use of the construction manager approach and grant permission to begin the construction manager selection process for the Engineering Teaching and Research Complex. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

University officials requested approval of a lease agreement as lessee with the Iowa State University Research Park Corporation for the university's use of 21,239 square feet of office space at the ISU Research Park, for use by the Rural Health Research Center, at the rate of \$15,929.25 per month (\$9 per square foot, \$191,151 per year) for a five-year period.

University officials requested approval of a lease agreement as lessee with Indian Hills Community College for the university's use of 2,036 square feet of space located at the Indian Hills Community College, Ottumwa, Iowa, for use by the Southeast Iowa Area Extension Office, at the rate of \$1,257.23 per month (\$7.41 per square foot, \$15,086.76 per year) for a five-year period.

MOTION:

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

AYE: Dorr, Kennedy, Lande, Mahood, Newlin, Pellett, Tyrrell.

NAY: None.

ABSENT: Smith.

MOTION CARRIED.

VENDING CONTRACT AT IOWA STATE UNIVERSITY. The Board Office recommended the Board (1) receive the report from the university on its proposal for employing outside operating management for the provision of vending and branded food services on the Iowa State University campus; (2) authorize the university to proceed in negotiations with the Iowa State Memorial Union as the service provider; and (3) direct the university to bring to the Board of Regents for review and action the proposed contract and any agreements or leases for facilities and space following completion of negotiations.

University officials requested to negotiate a contract with the Iowa State Memorial Union to provide vending and branded food services on the Iowa State University campus. For a number of years, Iowa State University has provided vending services on the campus through a contract with a private vendor; the current contract with TAVCO expires this year.

The university has recently completed a competitive bidding process preliminary to award of its campus-wide vending and food services contract, per the requirements specified in the Board of Regents Procedural Guide, Section VIII.

Iowa State University officials determined that the best financial and service proposal was submitted by the Iowa State Memorial Union, which is a university-affiliated corporation. University officials indicated that the proposal of the Memorial Union is responsive to the university community's needs and will enhance potential revenues, with vending sales projected to grow from \$1.4 million to \$2.4 million per year.

As with the existing contract, the university would receive a percentage of the sales (21.97 percent the first year, with escalators in subsequent years); this revenue offsets the university's costs of providing space, utilities, and custodial services to the vending operations. To the extent revenues have exceeded these costs, the funds have been returned to the student and departmental organizations and utilized for student aid, benefiting the individuals who primarily use the services.

University officials are developing a service agreement with the Memorial Union to encompass operations, liability issues, and the activities of Memorial Union and its subcontractors.

The university is in the process of negotiating with the Memorial Union to ensure that the transition for installation of new equipment, incorporation of the debit card, and physical modifications to The Hub and other vending locations can be accommodated. It was projected that the changeover should occur before the beginning of the fall 1996 semester.

Should any modifications to The Hub require a capital project, this will follow procedural guidelines and be financed from the vending revenues.

The university is currently developing plans with the Memorial Union for the installation and approval of the proposed equipment layout, final product selection, and reviewing their subcontracts with vendors. Completion of these plans and the service agreement was anticipated within the next 30 days.

The improvements in food services on campus were expected to be substantial and the university's initiative to do so was applauded.

MOTION:

Regent Kennedy moved to (1) receive the report from the university on its proposal for employing outside operating management for the provision of vending and branded food services on the Iowa State University campus; (2) authorize the university to proceed in negotiations with the Iowa State Memorial Union as the service provider; and (3) direct the university to bring to the Board of Regents for review and action the proposed contract and any agreements or leases for facilities and space following completion of negotiations. Regent Lande seconded the motion. MOTION CARRIED UNANIMOUSLY.

RENEWAL OF IOWA STATE CENTER AGREEMENT WITH OGDEN

ENTERTAINMENT SERVICES. The Board Office recommended that the Board approve extension of the existing contract with Ogden Entertainment Services for an additional three years, for the period beginning July 1, 1996, through June 30, 1999.

Ogden Entertainment Services is responsible for concession stands, novelty sales and beverage sales at the Center. Iowa State University officials have stated that the management of the Iowa State Center and the operational relationships have continued to be excellent, and that Ogden continues to develop and attract programming that increases the utilization of the facilities and reduces direct university financial support that would otherwise be required.

The latest annual report on the Iowa State Center, submitted to the Board in December 1995, indicated total attendance in FY 1995 was at a record high of 1,005,181, up from 808,943 in FY 1994.

The university subsidy to the center has been reduced by \$300,000 since FY 1987, and has remained constant over the last several years at approximately \$1.2 million. Net return to the university from the concession stands, novelty sales, and beverage sales operated by Ogden compare very favorably to pre-contract FY 1987 (the center only operated five months under the contract in FY 1988):

FY 1995	\$646,347	52.4%
FY 1994	429,076	47.9%
FY 1993	430,852	43.7%
FY 1992	401,524	47.2%
FY 1991	433,938	47.0%
FY 1990	331,233	44.4%
FY 1989	234,099	38.0%
FY 1988	221,193	29.0%
FY 1987	118,897	27.0%

Organizationally, the Iowa State Center now reports to the Vice President for External Affairs, which will be reflected in the agreement.

The terms of the agreement are unchanged.

Vice President Madden stated that Iowa State University is unique around the country in its privatization of the Iowa State Center complex. He said Ogden Allied is able to bring in groups that probably would not otherwise appear in a state of this size.

MOTION:

Regent Tyrrell moved to approve extension of the existing contract with Ogden Entertainment Services for an additional three years, for the period beginning July 1, 1996, through June 30, 1999. Regent Pellett 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. There were none.

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, June 19, 1996.

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

Register of Personnel Changes for May 1996.

Approve the reappointments of GARY SHONTZ as Secretary and JOHN CONNER as Treasurer in accordance with Chapter 262.9 of the Code of Iowa for the fiscal year beginning July 1, 1996.

Change the division name and position titles as follows:

Change the name of the division of DEVELOPMENT to UNIVERSITY ADVANCEMENT.

Change the title of the Vice President for Development to Vice President for University Advancement.

Change the title of the Assistant Vice President for Development and Director of Special Gifts to Assistant Vice President for University Advancement.

Change the title of the Director of Annual Giving to Director of Special Gifts.

MOTION: Regent Kennedy moved to approve the university's personnel transactions, as presented. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

NAME CHANGE FOR THE DEPARTMENT OF EDUCATIONAL ADMINISTRATION AND COUNSELING. The Board Office recommended the Board refer the request for the name change in the Department of Educational Administration and Counseling to the Board Office and Interinstitutional Committee on Educational Coordination for review and recommendation.

University of Northern Iowa officials requested a change in the name of the Department of Educational Administration and Counseling to the Department of Educational Leadership,

Counseling and Postsecondary Education. The reason for the change is to recognize the department's third area of responsibility -- postsecondary education.

The department offers graduate level preparation for individuals aspiring to teaching positions and/or student personnel work in postsecondary institutions.

ACTION: This matter was referred by consent.

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

PROJECT DESCRIPTIONS AND BUDGETS

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

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ARCHITECT/ENGINEER AGREEMENTS

Amendments

<u>Baker Hall--Exterior and Electrical Repairs</u> Wehner Pattschull and Pfiffner, Iowa City, Iowa	<u>\$3,200</u>
<u>Price Laboratory School--Field House Replacement</u> RDG Bussard Dikis, Des Moines, Iowa	<u>\$7,009</u>
<u>Strayer Wood Theatre--Replace Skylights</u> Rietz Engineering, Ames, Iowa	<u>\$5,000</u>

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Lawther Hall Windows
Koch Corporation, Louisville, KY

\$418,029

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

MOTOR VEHICLE AND BICYCLE REGULATIONS. The Board Office recommended that the Board give final approval to changes in: a) the traffic and parking regulations; and b) permit fees and parking violation schedules for 1996-97 at the University of Northern Iowa.

At its May meeting, the Board gave preliminary approval to the University of Northern Iowa's proposed changes in traffic and parking regulations and permit fees and parking violation schedules for 1996-97; Board approval is required by section 10.07 (C) of the Board of Regents Procedural Guide.

The major changes to the regulations are: addition of a new section pertaining to safe operation of bicycles; parking lot designations are lifted for certain lots during non-academic periods; and a new section is added specifying revocation of parking privileges for usage of altered or stolen parking permits and for habitual violators.

MOTION: Regent Pellett moved to give final approval to changes in: a) the traffic and parking regulations; and b) permit fees and parking violation schedules for 1996-97 at the University of Northern Iowa. Regent Dorr seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Wednesday, June 19, 1996.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office recommended the Board approve the reappointment of James Heuer as Secretary and Treasurer in accordance with Chapter 262.9 of the Code of Iowa for the fiscal year beginning July 1, 1996.

The Board Office indicated that the Register of Personnel Changes had not been received and would be reported next month.

MOTION: Regent Kennedy moved to approve the reappointment of James Heuer as Secretary and Treasurer. Regent Tyrrell seconded the motion.
MOTION CARRIED UNANIMOUSLY.

APPROVAL OF TECHNOLOGY PLAN. The Board Office recommended the Board defer action on the technology plan for Iowa School for the Deaf until the Iowa Department of Education has established its criteria and process for review of school plans and school officials have an opportunity to seek assistance from the universities in the development of a plan.

The 1996 General Assembly made technology funding available to school districts, the Iowa School for the Deaf, the Iowa Braille and Sight Saving School, and the Price Lab School.

Each district and school is required to develop a technology plan as a condition of receiving the funds appropriated by the legislature. Plans and annual progress reports for Iowa School for the Deaf must be submitted to the Board of Regents and the Department of Education.

The Iowa School for the Deaf technology plan is an outgrowth of the Board of Regents' strategic plan to develop curricula and instructional methodologies to enhance all programs.

ACTION: President Newlin stated the Board, by general consent, deferred action on the technology plan for the Iowa School for the Deaf until the Iowa Department of Education has established its criteria and process for review of school plans and school officials have an opportunity to seek

assistance from the universities in the development of a plan.

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

PROJECT DESCRIPTIONS AND BUDGETS

All of the following projects will be coordinated through Iowa State University.

Electrical Distribution Project--Phase II \$26,000

Source of Funds: FY 1996 and 1997 Building Repair Funds

School officials requested approval of a project description and budget in the amount of \$26,000 for Phase II of the electrical distribution project, which will replace the main transformer and associated switchgear in Long Hall. This phase will replace the existing distribution panels on the second floor of the building and will include the installation of approximately 22 window air conditioning units.

Sidewalk and Steps Replacement Project \$15,000

Source of Funds: FY 1996 and 1997 Building Repair Funds

School officials requested approval of a project description and budget in the amount of \$15,000 to replace exterior walkways and sidewalks throughout the Iowa School for the Deaf campus. The project will also construct a new set of exterior steps to the school's Health Center.

Life Department Enhanced Teaching Area \$10,500

Source of Funds: FY 1996 and 1997 Building Repair Funds

School officials requested approval of a project description and budget in the amount of \$10,500 to provide new interior finishes for the Life Department life skills workshop area. The project will include the installation of fire-rated gypsum board, lighting, flooring, doors, hardware, and painting.

Second Floor Infirmary \$15,000

Source of Funds: FY 1996 and 1997 Building Repair Funds

School officials requested approval of a project description and budget in the amount of \$15,000 to address the interior refinishing needs for the second floor north conference room. The project will include the installation of fire-rated gypsum board, acoustic ceilings and carpeting.

Visual Alert System--Phase IV \$63,000

Source of Funds: FY 1996 and 1997 Building Repair Funds

School officials requested approval of a project description and budget in the amount of \$63,000 to install the visual alert system in the east wing of the Boys Dormitory/ Administration Building. The project will provide a state-of-the-art system for fire detection and severe weather warning.

Telephone System Replacement--Phase II

\$35,000

Source of Funds: FY 1996 and 1997 Building Repair Funds

School officials requested approval of a project description and budget in the amount of \$35,000 to replace the campus-wide telecommunications cabling backbone between various building sites. The project will include trenching, installation of PVC pipe and distribution cables, and new building sub-frames.

MOTION:

Regent Tyrrell moved to approve the school's capital register, as presented. Regent Mahood seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Wednesday, June 19, 1996.

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

Register of Personnel Changes for the period of April 21 to May 18, 1996; and

Approve the appointment of LuAnn Woodward as Secretary and Treasurer in accordance with Chapter 262.9 of the Code of Iowa for the fiscal year beginning July 1, 1996.

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

TECHNOLOGY PLAN. The Board Office recommended the Board defer action on the technology plan for Iowa Braille and Sight Saving School until the Iowa Department of Education has established its criteria and process for review of school plans and school officials have an opportunity to seek assistance from the universities in the development of a plan.

The 1996 General Assembly approved an appropriation for technology improvements to schools districts and the Iowa Braille and Sight Saving School, the Iowa School for the Deaf, and Price Lab School. As a condition of receiving these funds, Iowa Braille and Sight Saving School officials must submit a technology plan for approval to the Board of Regents and the Iowa Department of Education.

Iowa Braille and Sight Saving School officials based its plan on the Regents' strategic goal to develop curricula and instructional methodologies to enhance all programs.

MOTION: Regent Tyrrell moved to defer action on the technology plan for Iowa Braille and Sight Saving School until the Iowa Department of Education has established its criteria and process for review of school plans and school officials have an opportunity to seek assistance from the universities in the development of a plan. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

ACADEMIC CALENDAR 1996/97. The Board Office recommended the Board approve the Iowa Braille and Sight Saving School school calendar for the 1996-1997 school year.

The Iowa Braille and Sight Saving School calendar was coordinated with the Vinton-Shellsburg Community School District as Iowa Braille and Sight Saving Schools' cooperating school for mainstreaming students.

The calendar was consistent with state law for 180 instructional days for students and provides for 189 days for faculty (190 for new faculty).

The calendar also proposed the merit staff, institutional officials, and professional staff holidays. The proposed calendar was consistent with Board policy, the merit staff contract, state law, and past practices of the school.

ACTION: This matter was approved by consent.

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

CONSTRUCTION CONTRACTS

Iowa Braille and Sight Saving School--Telephone System--Phase 2 \$45,104.60
Award to: Norstan Communications, Des Moines, Iowa
(3 proposals received)

School officials reported for Board ratification the award to Norstan Communications in the amount of \$45,104.60 for Phase 2 of a new telephone system for the campus. Phase 1 of the project, which was awarded to Norstan Communications in the amount of \$45,984.40, included the installation of necessary wiring. Phase 2 will include the installation of telephone hardware, testing and training, and removal of the old telephone system.

MOTION: Regent Mahood moved that the Register of Capital Improvement Business Transactions for the Iowa Braille and Sight Saving School be approved. Regent Kennedy seconded the motion.
MOTION CARRIED UNANIMOUSLY.

APPROVAL OF CONTRACTS FOR SPEECH/LANGUAGE PATHOLOGY AND SCHOOL PSYCHOLOGICAL SERVICES. The Board Office recommended the Board approve the contract for speech/language pathology and school psychological services with the Grant Wood Area Educational Agency.

The speech/language pathology service is a new contracted service for the school in the next academic year. The opportunity to contract for this service came after a faculty member decided to take early retirement.

The contracted service is for 2½ days per week and 114 maximum number of days (0.6 FTE). The estimated cost for this service will be \$25,978.

The services for a school psychologist have been under contract to Grant Wood for the past several years. The contract calls for 2½ days per week with a maximum of 95 days (0.5 FTE). Estimated cost is \$28,033 which is 28 percent more than the contract for 1995-1996 school year.

The contract was reviewed by the Attorney General's Office.

ACTION: President Newlin stated the Board approved the contract for speech/language pathology and school psychological services with the Grant Wood Area Educational Agency, by general consent.

APPROVAL OF CONTRACTS FOR OCCUPATIONAL AND PHYSICAL THERAPY SERVICES AND PROFESSIONAL MEDICAL SERVICES. The Board Office recommended that the Board approve contracts for services for the 1996-1997 school year as follows:

- 1) with KAREN RANDALL, Registered Occupational Therapist, to provide occupational therapy services at a rate of \$40 per hour, consisting of four days at the beginning of the year and a maximum of three hours per week during the year;
- 2) with KAREN WELTZIN, Licensed Physical Therapist, to provide physical therapy services at a rate of \$40 per hour, consisting of four days at the beginning of the year and a maximum of three hours per week during the year;
- 3) with DR. SHERMAN L. ANTHONY, Vinton, for medical services at a base fee of \$2,315 and an examination fee of \$28 for each student examined or administered service.

The agreements were reviewed by the Attorney General's Office and were recommended for approval.

ACTION: President Newlin stated the Board approved the contracts for services for the 1996-1997 school year, as presented, by general consent.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to Iowa Braille and Sight Saving School.

Superintendent Thurman stated that last month the Regents were scheduled to meet at the Iowa Braille and Sight Saving School for an afternoon session which included a program commemorating the seventy-fifth anniversary of the founding of the American Foundation for the Blind on the campus of the Iowa Braille and Sight Saving School. Weather conditions, unfortunately, prohibited most Regents from attending the program. He said Regent Tyrrell provided remarks on behalf of the Board of Regents, and the school was presented with a plaque that graces the entry of the administration building.

Superintendent Thurman requested that the Board schedule a visit to the Iowa Braille and Sight Saving School some time next year. He noted that the next available date, according to the Next Meeting Schedule, was May 1997, although he would enjoy having the Regents on campus before then. He referred to the Pappas report and said he would like to engage the Board of Regents in meaningful dialogue about the future of Iowa Braille and Sight Saving School as soon as they possibly can.

EXECUTIVE SESSION. President Newlin requested the Board enter into closed session to consider a request from an employee whose performance was being considered as provided by the Code of Iowa section 21.5(1)(i).

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

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 4:35 p.m. on Wednesday, June 19, 1996, and adjourned therefrom at 7:20 p.m. on that same date.

ADJOURNMENT.

The meeting of the State Board of Regents adjourned at 7:20 p.m., on Wednesday, June 19, 1996.

R. Wayne Richey
Executive Director