

The State Board of Regents met on Wednesday and Thursday, June 18 and 19, 1997, at the Iowa Lakeside Laboratory, Okoboji, Iowa. The following were in attendance:

	<u>June 18</u>	<u>June 19</u>
<u>Members of State Board of Regents</u>		
Mr. Newlin, President	All sessions	All sessions
Ms. Ahrens	All sessions	All sessions
Mr. Arenson	All sessions	All sessions
Mr. Fisher	All sessions	All sessions
Dr. Kelly	All sessions	All sessions
Mrs. Kennedy	All sessions	All sessions
Mr. Lande	All sessions	All sessions
Mrs. Pellett	All sessions	Excused at 10:00 a.m.
Mrs. Smith	Excused	Excused
<u>Office of the State Board of Regents</u>		
Executive Director Richey	All sessions	All sessions
Deputy Executive Director Barak	All sessions	All sessions
Director Houseworth	All sessions	All sessions
Director Stadlman	All sessions	All sessions
Associate Director Elliott	All sessions	All sessions
Associate Director Racki	All sessions	All sessions
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Coleman	All sessions	All sessions
Provost Whitmore	All sessions	All sessions
Vice President True	All sessions	All sessions
Associate Vice President Small	All sessions	All sessions
Legislative Counsel Stork	All sessions	All sessions
<u>Iowa State University</u>		
President Jischke	All sessions	Excused at 9:25 a.m.
Provost Kozak	All sessions	Excused at 9:25 a.m.
Vice President Madden	All sessions	Excused at 9:25 a.m.
Executive Assistant to President Dobbs	All sessions	Excused at 9:25 a.m.
Assistant to the President Bradley	All sessions	Excused at 9:25 a.m.
Assistant to the President Mukerjea	All sessions	Excused at 9:25 a.m.
Director McCarroll	All sessions	Excused at 9:25 a.m.
<u>University of Northern Iowa</u>		
President Koob	All sessions	Excused at 9:33 a.m.
Provost Marlin	All sessions	Excused at 9:33 a.m.
Vice President Conner	All sessions	Excused at 9:33 a.m.
Vice President Follon	All sessions	Excused at 9:33 a.m.
Executive Assistant to President Geadelmann	All sessions	Excused at 9:33 a.m.
Director Chilcott	All sessions	Excused at 9:33 a.m.
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	Excused at 9:20 a.m.
Director Heuer	All sessions	Excused at 9:20 a.m.
Interpreter Fowler	All sessions	Excused at 9:20 a.m.
Interpreter Stephens	All sessions	Excused at 9:20 a.m.
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	All sessions	Excused at 9:29 a.m.
Director Woodward	All sessions	Excused at 9:29 a.m.

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday and Thursday, June 18 and 19, 1997.

Director van der Valk welcomed the Regents to Iowa Lakeside Laboratory.

APPROVAL OF MINUTES OF BOARD MEETING OF MAY 21-22, 1997. The Board Office recommended the Board approve the minutes.

President Newlin asked for additions or corrections to the minutes.

ACTION: President Newlin stated the minutes of the May 21-22, 1997, meeting were approved, as written, by general consent.

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

Approve the proposed name change of the Ph.D. degree in Speech Pathology and Audiology to the Ph.D. degree in Speech and Hearing Science;

Receive reports on the following affiliated organizations:

- a) Iowa State University Agricultural Foundation
- b) Committee for Agricultural Development (Iowa State University);

Revise the submission date of the affiliated organization report for the Iowa State University Agricultural Foundation from June to December to coincide with the change in fiscal year;

Approve the Board meetings schedule;

Approve agreements for Occupational Therapy Services, Physical Therapy Services, and Medical Services at the Iowa Braille and Sight Saving School;

Approve the contract with the Grant Wood Area Education Agency for speech/language pathology and school psychological services at the Iowa Braille and Sight Saving School;

Receive the report on the establishment of a Center for Macular Degeneration at the University of Iowa;

Refer the proposed Bachelor of Science Degree Completion Program in Oral Science at the University of Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; and

Refer the request to establish a Ph.D. program in Women's Studies at the University of Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

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

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a) Post-Audit Report for Advertising Major - Iowa State University. The Board Office recommended the Board (1) approve the post-audit report for the major in Advertising at Iowa State University and (2) approve the continuance of the program.

Iowa State University officials submitted a post-audit review of the Advertising major. The post-audit report was reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office, and both recommended continuing the program.

The Advertising major enrollments are much less than originally anticipated for this program. The estimates made at the time the program was proposed were for 230 to 240 majors per year. Actual enrollments have been about half of that in recent years. There have however been a large number of non-majors participating in Advertising.

University officials indicated that the rigor of the program has resulted in many students opting to take advertising courses but to major in other fields of study.

Most program graduates who pursue employment have been able to secure jobs in advertising or a related field.

The Department of Journalism, which includes the Advertising major, is fully accredited.

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

Regent Lande referred to the statement that "university officials indicated that the rigor of the program has resulted in many students opting to take advertising courses but to major in other fields of study." He said he was surprised that advertising would be one of the more rigorous courses of study.

Provost Kozak responded that the statement to which Regent Lande referred was the view of the department. He said students do not flock in large numbers to major in advertising.

MOTION: Regent Kennedy moved to (1) approve the post-audit report for the major in Advertising at Iowa State University and (2) approve the continuance of the program. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

Director Barak noted that the Interinstitutional Committee on Educational Coordination had an important election that morning to select a new chair. Provost Whitmore was elected chairperson.

Provost Whitmore said he looked forward to the challenge.

(b) Proposed Master of Science Major Named Agronomy - Iowa State University. The Board Office recommended the Board approve the request for a new Master of Science major in Agronomy at Iowa State University contingent upon approval of the Iowa Coordinating Council for Post-High School Education.

Iowa State University officials requested approval of a new Master of Science major in Agronomy to be delivered to “non-traditional” students using multimedia technology over an asynchronous network. Information traditionally delivered to students via lecture will instead be delivered through interactive courseware.

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

The program is designed to meet the educational needs of working professionals in an agronomy-related field who desire additional training for career advancement.

The proposed program is non-duplicative as no other institution in the state offers this program, or even anything in this general field of study.

It was estimated that approximately 30 students will be enrolled per year once the program is established. This estimate was based on a market survey conducted in 1995 to assess potential interest in a professional M.S. degree offered at a distance.

University officials anticipate that funding for this program will amount to \$329,150 from anticipated external grants. If funded, the grant will provide all development and operating expenses of the program for a period of five years. After that period, university officials indicate that the program should be able to recoup all additional operating costs through tuition paid by students enrolled in the program.

Regent Lande asked if it was possible to attain an M.S. degree in Agronomy on site in Ames. Provost Kozak responded affirmatively.

Regent Lande said the proposal raises questions. If the proposal was to offer a course or a series of courses by the distance learning mechanism, that was fine. However, if the proposal was to distinguish between this M.S. degree and the degree offered on campus, he was concerned. If so, do university officials intend to seek Board of Regents approval for every series of courses and studies that they wish to offer on the Iowa Communications Network?

Provost Kozak stated that even though the M.S. degree in Agronomy may be offered on the Iowa State University campus, this proposal was contingent upon final approval by the Iowa Coordinating Council for Post-High School Education.

Regent Lande asked if the provosts intend to bring to the Board of Regents every program that they propose to offer on the ICN. Provost Kozak responded affirmatively, saying his understanding was that was the process currently in place.

President Jischke said the interim policy of the Board requires that university officials bring every program to the Board for approval. He stated that the proposed M.S. degree in Agronomy was designed for those who are interested in advanced study in agronomy in order to advance themselves professionally. There is a somewhat different cast to this master's program than the traditional program on campus which is designed to prepare students for research careers.

Regent Lande said he had no objection to what was being requested by Iowa State University officials. He questioned whether the Board was being asked to approve whatever courses it takes to get an M.S. in agronomy and whether that meant there would be no courses offered that would be required for a bachelor's in agronomy. It was difficult for him to know exactly what the Board was approving. Presumably a student might receive a master's in agronomy without having received a bachelor's in agronomy. There might be a need for some undergraduate courses in agronomy. He said he had no idea how many courses the Board was approving with this recommendation.

Provost Whitmore stated that Iowa State University officials submitted a total document in support of this request which included a list of prerequisites, special language requirements, existing courses, and proposed new courses that are all part of this program. He said that information was summarized by the Board staff in the docket memorandum.

President Jischke stated that Iowa State University officials could describe to the Regents the specific courses that were developed for this program. It is not unusual for the Board to approve a program and leave to faculty to develop the courses. Also, university officials will return to the Board for approval of every location where they wish to offer this degree, in accordance with the current policy.

Mr. Richey stated that the specification of courses for a specific degree lies exclusively with the faculty.

Regent Arenson asked if this proposal was for Internet courses. President Jischke responded that, in principle, it could be offered on the Internet, World Wide Web, Iowa Communications Network, by videotape, or by satellite. There are quite a number of electronic communications technology that operate in asynchronous mode that could be used.

Regent Arenson asked if theoretically the course would be available to anyone who has access to the Internet. President Jischke said he did not think that decision had been made. It would depend on how the program is marketed. The initial desire was to use the Iowa Communications Network if the university can afford to do so.

Regent Arenson stated that his understanding of the Board policy was not to constrain any of the course offerings but to understand what is being offered in an interim period until a policy is developed.

Regent Kennedy stated that since there was not a duplication issue with regard to this proposed program, the Regents should not hesitate to approve it.

Provost Whitmore stated that Iowa State University officials included a survey in the material presented for approval of this program. The survey found there was a large number of people who were interested in the program.

Regent Fisher said he assumed there would be laboratory work and field work involved in a course like agronomy. How would that be handled? Provost Kozak said it was built into the program for students to come to campus for experimental offerings.

MOTION: Regent Ahrens moved to approve the request for a new Master of Science major in Agronomy at Iowa State University contingent upon approval of the Iowa Coordinating Council for Post-High School Education. Regent Kennedy seconded the motion.
MOTION CARRIED UNANIMOUSLY.

(c) Proposed Discontinuance of Master of Engineering in Industrial Engineering - Iowa State University. The Board Office recommended the Board approve the request to discontinue the Master of Engineering in Industrial Engineering at Iowa State University.

Iowa State University officials requested approval to discontinue the Master of Engineering major in Industrial Engineering. The request to discontinue the program was reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office, and both recommended approval.

The reasons for discontinuation of this program include the fact that the majority of graduate students are interested in the Master of Science (M.S.) degree and university officials proposed to offer a non-thesis option for the M.S. degree which would continue to provide students with a non-thesis graduate degree.

Discontinuation of the current Master of Engineering in Industrial Engineering and the addition of a non-thesis option for the M.S. degree would make the Industrial Engineering offerings similar to those in other departments in the College of Engineering.

Consistent with Board policy, all currently-enrolled students in this program will be allowed to complete the degree or transfer to the non-thesis option. All course work is available for the current students to complete their degree.

No additional staff and no additional expenses will be incurred in order to maintain program quality during the phase-out. Phase-out of the program would provide no additional funds to be saved or redirected. Phase-out would have no impact or effect on the programs offered by Iowa State University. Discontinuance of this degree would not free up any facilities, equipment, faculty time, etc.

MOTION: Regent Fisher moved to approve the request to discontinue the Master of Engineering in Industrial

Engineering at Iowa State University. Regent
Arenson seconded the motion. MOTION
CARRIED UNANIMOUSLY.

(d) Proposed Ph.D. Degree Program in Social Work - University of Iowa. The Board Office recommended the Board approve the request to establish a Ph.D. in Social Work at the University of Iowa.

University of Iowa officials requested approval to offer the Ph.D. in Social Work. At the present time, the university offers master's and bachelor's degrees in the field of Social Work.

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

The program, if approved, will be the only social work doctoral program in the state.

The proposed program is consistent with the mission of the University of Iowa.

The program would provide opportunities for many persons in Iowa who formerly had to leave Iowa to pursue an advanced degree in social work.

University officials believe the proposed program will enrich the experiences of students enrolled in the master's and bachelor's level programs by providing teaching assistants, many with experience in the field, by having available numerous colloquia and seminars, and the presence of the doctoral program may attract higher quality students in the master's and bachelor's programs.

Estimated enrollment in the proposed program ranges from 4 students the first year to 16 students in five years.

University officials expect job opportunities to be good. Graduates from the program could have opportunities to serve as faculty in the 13 undergraduate social work programs in the state, and could serve in policy, practice, and research positions in state agencies and in similar positions nationally.

The University of Iowa already has in place most, if not all, of the major educational resources needed to mount this program as most are already needed for the accredited undergraduate and master's programs in social work. The proposed program meets national standards for social work as well as for graduate work as established by the U.S. Council for Graduate Schools.

University officials estimate the incremental costs for the proposed program for the first 3 years to be under \$140,000 total. The majority of these incremental costs will come from outside sources. The university has not yet made the commitment to fund the program in the event that this outside funding is not forthcoming or as it may end in future years.

Provost Marlin stated that there was much enthusiasm about the offering of this program.

MOTION:

Regent Kennedy moved to approve the request to establish a Ph.D. in Social Work at the University of

Iowa. Regent Arenson seconded the motion.
MOTION CARRIED UNANIMOUSLY.

(e) Proposed Course Changes - University of Iowa. The Board Office recommended the Board approve the proposed course changes at the University of Iowa.

University of Iowa officials submitted its list of proposed course changes for approval by the Board of Regents. The proposed course changes were reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office, and both recommended approval.

The proposed course changes include 384 new courses, 232 courses to be dropped, 122 course title changes, and 98 semester hour changes.

The proposed changes in course offerings represent the continuing response of the university to the changing educational needs of the University of Iowa students, changing disciplinary emphases, and the vitality of the faculty according to the university.

The course changes were consistent with the need for continual review of curricula in order to provide students with the most relevant and logical educational experiences.

The proposed course changes do not include any new programs of study.

MOTION: Regent Arenson moved to approve the proposed course changes at the University of Iowa. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

(f) Proposed Name Change of Speech Pathology and Audiology - University of Iowa. The Board Office recommended the Board approve the proposed name change of the Ph.D. degree in Speech Pathology and Audiology to the Ph.D. degree in Speech and Hearing Science.

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

The change would be in name only and would involve no programmatic changes. The change in name would better describe the programs of many of the doctoral students which are not related to the study of disorders of speech, language, and hearing. The new title is more descriptive of the scientific study of both normal and disordered processes of speech and hearing according to university officials.

The new title should improve student job recruitment efforts. There are no financial implications of this proposal.

ACTION: This matter was approved by consent.

ANNUAL GOVERNANCE REPORT ON INTERNATIONAL AGREEMENTS. The Board Office recommended the Board (1) receive the report, (2) request that the institutions determine a common format for reporting additional information about study abroad programs and student participant characteristics (such as enrollment status, major, gender, race/ethnicity) for inclusion in future reports, and (3) request that each

institution develop and implement policy guidelines to establish basic standards of quality assurance, financial management, risk management, and student safety for all programs involving travel and residence abroad.

In 1995-96 the Regent universities had 162 active agreements with foreign universities and government agencies in more than fifty countries. These included programs for both students and faculty.

More than 1,500 students studied abroad on Regent university programs in FY1995-96. Nearly one-third of these were participants in the University of Northern Iowa Camp Adventure program, which provides summer work experiences in youth recreation activities for children on U.S. military bases and government installations.

Dozens of Regent faculty performed teaching, research, and/or administrative duties under the auspices of international agreements implemented at each university.

Exchange agreements brought students and faculty from other countries to each of the Regent universities.

Provost Marlin presented highlights of the University of Northern Iowa's report.

Associate Provost McNulty presented the report of the University of Iowa.

Regent Pellett asked if the University of Iowa's international programs were for credit. Associate Provost McNulty responded that most of the programs were for credit.

Regent Pellett referred to information in the docket memorandum which indicated that the international programs are open to students of other educational institutions, and asked if the international programs are self supporting. Associate Provost McNulty responded that if the university did not offer the international programs to students outside of the University of Iowa, there simply would not be sufficient numbers to allow university officials to offer those programs. By opening up the opportunities to students of other schools they are able to get a critical mass to reduce program costs and to provide a better bargain for University of Iowa students.

Provost Kozak introduced Trevor Nelson, the coordinator of international programs at Iowa State University.

Mr. Nelson presented the report for Iowa State University. He noted that at least 10 percent of the students who study abroad are minority students.

Regent Pellett noted that the majority Iowa State University students who study abroad are female.

President Newlin asked why the largest number of Iowa State University students go to Italy. Mr. Nelson responded that the university has a number of programs in Rome. The College of Design, for example, had established a program in Rome.

MOTION: Regent Fisher moved to (1) receive the report, (2) request that the institutions determine a common format for reporting additional information about study abroad programs and student participant characteristics (such as enrollment status, major, gender, race/ethnicity) for inclusion in future reports, and (3) request that each institution develop and implement policy guidelines to establish basic standards of quality assurance, financial management, risk management, and student safety for all programs involving travel and residence abroad. Regent Kennedy seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

Regent Pellett stated that officials of the three Regent universities were to be commended for accelerating the international programs and improving on what has been done in the past.

REPORT OF THE BANKING COMMITTEE. (a) General Report. The Board Office recommended the Board (1) approve the request of the University of Northern Iowa to add Firststar Trust Company of Milwaukee as a trust fund for academic building revenue bonds to the list of Board-approved financial institutions and (2) accept the report of the Banking Committee.

Regent Kennedy stated that at that morning's meeting, the Banking Committee members discussed and approved extending the existing letter of credit for the University of Iowa Human Biology Research Facility. She said the Banking Committee received a report on institutional deposits and investments and approved the addition of Firststar Trust Company to the list of Board-approved financial institutions. The committee also received a status report on internal audit follow-up.

ACTION: President Newlin stated the Board, by general consent, (1) approved the request of the University of Northern Iowa to add Firststar Trust Company of Milwaukee as a trust fund for academic building revenue bonds to the list of Board-approved financial institutions and (2) accepted the report of the Banking Committee.

(b) Preliminary Resolution for the Sale of up to \$7,615,000 Telecommunications Facilities Revenue Bonds, Series I.S.U. 1997. The Board Office recommended that the Board adopt a Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$7,615,000 Telecommunications Facilities Revenue Bonds, Series I.S.U. 1997.

The proposed bond sale schedule presented to the Banking Committee in December 1996 included a July 1997 sale date for bonds for the Iowa State University - Outside

Plant System Upgrade project. The Board granted permission to proceed with planning for this project in June 1996.

The project will upgrade the main campus network backbone by adding: fiber optic cabling to serve a number of academic buildings, cable runs to provide system redundancy and to protect against equipment failures or cable cuts, and single-mode fiber to provide the higher bandwidth services needed for new technologies.

No proceeds from the proposed bond sale will be used for telecommunications improvements at the Research Park.

In April 1997 the Board adopted a Telecommunications Facilities Revenue Bond reimbursement resolution for the Outside Plant System Upgrade, Phase 1 project. Adoption of the resolution allowed all or a portion of the expenditures for the Phase 1 project (estimated cost - \$750,000) to be reimbursed with proceeds of the proposed bond sale.

In 1985 the Board of Regents issued \$11 million in revenue bonds for Iowa State University telecommunications facilities, the last debt service payment was made in 1996 and there are no other obligations which would be on a parity with the bonds to be issued. Work included an extensive fiber optic and copper-based cable plant infrastructure and state-of-the-art digital switching technologies.

Since 1985 the university has grown in physical size and in its use of information technologies; this rapid growth and the increased importance of information technology require an enhancement of the university's communications infrastructure.

The bond sale bid opening and award would be scheduled for the July 1997 Board meeting. The estimated size of the bond issue, including issuance costs and the debt service reserve is \$7,615,000; the repayment period will be 10 years.

Debt service will be paid from telecommunications system user charges and other net revenues of the telecommunication system.

MOTION:

Regent Kennedy moved to adopt a Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$7,615,000 Telecommunications Facilities Revenue Bonds, Series I.S.U. 1997. Regent Fisher seconded the motion, and upon the roll being called, the following voted:

AYE: Ahrens, Arenson, Fisher, Kelly, Kennedy, Lande, Newlin, Pellett.

NAY: None.

ABSENT: Smith.

MOTION CARRIED.

(c) Lease-Purchase Agreement for Replacement of the Message/Advertising Display Portion of the Football Scoreboard at the University of Iowa Kinnick Stadium. The Board Office recommended that the Board (1) approve the proposed financing transaction between the University of Iowa and GameDay Sports to install a new state-

of-the-art video advertising display unit with the related controls in Kinnick Stadium based on the terms and conditions set forth; and (2) authorize the Executive Director to execute the agreement.

University of Iowa officials entered into a ten-year agreement in June 1995 with Daktronics, Inc., for new scoreboards at six campus locations whereby the university received immediate ownership and Daktronics reserved the right to sell advertising on the scoreboard panels at Kinnick Stadium and Carver/Hawkeye for the life of the agreement.

University of Iowa officials proposed to enter into a ten-year arrangement with GameDay Sports Network, Inc., of Tulsa, Oklahoma, a sole source provider, to install a new state-of-the-art video advertising display unit with the related controls in Kinnick Stadium for the start of the 1997 football season.

The new unit would replace the message/advertising display portion of the current Kinnick Stadium scoreboard which would be retained as a back-up; Daktronics will remain responsible for maintenance of the six Daktronics scoreboards.

GameDay Sports would guarantee revenues to buy out the advertising rights of Daktronics for the existing signage at Kinnick Stadium and Carver/Hawkeye Arena (estimated at \$1.0 million) over a period of eight years which corresponds to the remaining term of the Daktronics agreement.

GameDay would retain title to the new video display unit and would assume all costs of installation and maintenance of the unit over the ten-year agreement; the university would be given the option to purchase the unit for \$1 at the end of the agreement.

The new video display unit will provide the university with a unique linked-marketing network involving other Division I colleges and universities.

Over the life of the arrangement, University of Iowa officials project to net at least \$400,000 more in advertising revenue from local, regional, and national sponsorship programs under the GameDay proposal than would be generated under the current arrangement with Daktronics; the university and GameDay would share in jointly developed advertising revenues.

Existing university advertisers and sponsorships will be accommodated under this arrangement with GameDay.

University officials request that the Executive Director be authorized to sign the agreement resulting from the negotiations because of the need to install the Kinnick Stadium video display unit by the start of the fall 1997 football season. Final terms will be reported to the Banking Committee at its July meeting.

MOTION:

Regent Fisher moved to (1) approve the proposed financing transaction between the University of Iowa and GameDay Sports to install a new state-of-the-art video advertising display unit with the related controls in Kinnick Stadium based on the terms and conditions set forth; and (2) authorize the Executive Director to execute the agreement.

Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

FINAL REPORT OF LEGISLATIVE SESSION. The Board Office recommended the Board accept the final report on the 1997 legislative session.

Governor Branstad took action on all the bills from the 1997 legislative session. The Governor's line item vetoes on appropriations bills included two areas which had been of concern to the Regents:

- Vetoed Section 29 of the Education Appropriations Bill (SF 549) which would have required a statement on student bills issued by the Regent institutions identifying the percentage of a student's education paid by state appropriations; however, the Regents have agreed, at the request of the Governor's office, to develop a workable process for providing this information.
- Vetoed Section 31 of the Capital Appropriations Bill (HF 733) which would have required the Department of General Services to establish a system for comparative evaluation and rating of all state vertical infrastructure needs, including the Board of Regents institutions.

The Regent allocation of salary adjustment appropriations by the Department of Management is \$25.8 million based on an estimated health insurance rate increase of 8 percent for employees covered under state health care plans and 10 percent for employees covered under university health care plans; this amount would fully fund the salary policy, which averages an increase of 4 percent.

The FY 1998 Regent appropriations increase, including allocated salary adjustment appropriations and tuition replacement, was 5.1 percent; other FY 1998 educational operating appropriation increases were 6.0 percent for community colleges (including technology improvement program funded by Infrastructure Fund), 4.7 percent for K-12 (excluding school technology funds) and 7.8 percent for Iowa Tuition Grants.

The total direct Regent appropriations during the 1997 session were as follows:

FY 1998 General Fund Appropriations

Education Operating Appropriations (SF 549)	\$580,421,766
Economic Development Appropriations (HF 655)	7,266,267
Salary Appropriations (SF 551)	<u>25,815,123</u>
Subtotal - Operating	\$613,503,156
Tuition Replacement (SF 549)	27,786,234
FY 1998 - FY 2001 Capital Appropriations (HF 733)	<u>70,415,000</u>
Subtotal - FY 1998 Regent Appropriations	\$711,704,390
FY 1997 Supplemental Salary Appropriation (SF 542)	2,325,940
TOTAL DIRECT REGENT APPROPRIATIONS DURING 1997 SESSION	<u>\$714,030,330</u>

Not included in the above figures are FY 1998 appropriations through other agencies which include:

- one-time appropriations totaling \$650,000 for specific agricultural related programs at Iowa State University;
- a new appropriation of \$70,000 from Phase III Education Excellence through the Department of Education to be distributed equally between the Iowa School for the Deaf and the Iowa Braille and Sight Saving School;
- continuation of \$94,600 Phase I and II Education Excellence funding (\$65,463 for ISD and \$29,137 for IBSSS) through the Department of Education for the special schools; and
- continuation of \$15,000 funding for each special school for the second year of the five-year School Technology Program.

Mr. Richey expressed gratitude to Governor Branstad for line item vetoes on two areas of concern to the Board of Regents. With regard to the statement to be included on university bills to students indicating the costs of their education that are paid by the state, he said university officials are working with the Board Office on a proposal to develop such a system for inauguration by the second semester of this school year.

President Newlin expressed the Board's appreciation to the three legislative liaisons and their associates who worked industriously during this legislative session. He also thanked Mr. Richey for his contributions to the success of this legislative session.

ACTION: President Newlin stated the Board accepted the final report on the 1997 legislative session, by general consent.

REVISIONS OF IOWA STATE UNIVERSITY AND UNIVERSITY OF NORTHERN IOWA ALLOCATIONS OF DESIGNATED FEES FOR THE 1997-98 ACADEMIC

YEAR. The Board Office recommended that the Board (1) approve the Iowa State University revision to its allocations of designated fees for the 1997-98 academic year by changing the \$.90 Student Activities Contingency Reserve fee to delineate its purpose as Student Activities Equipment/Program Support; and (2) approve the University of Northern Iowa revision to its allocations of designated fees for the 1997-98 academic year by eliminating the Building Fund for Student Activity fee and increasing the previously-approved Student Union fee from \$14.50 to \$23.10.

At its May 1997 meeting, the Board approved the proposed allocations for the portion of tuition and fees designated for student activities, student services, and building fees for the 1997-98 academic year for the University of Iowa, Iowa State University and the University of Northern Iowa, with the exception of the fee for the University of Northern Iowa's Building Fund for Student Activities.

Under the long-standing Board of Regents policy, the proceeds of the annual tuition and fees go to the general fund of the university for general education purposes unless designated otherwise by the Board for a specific purpose.

Discussion in May related to designated fees being budgeted for specific purposes rather than creating a fund of money for undesignated purposes. After the purpose has been accomplished, the amount of the fee is to be returned to the university's general fund unless otherwise approved by the Board of Regents.

Based on this discussion, Iowa State University officials proposed to revise its Student Activities Contingency Reserve fee of \$.90 per academic year to more clearly delineate its purpose as Student Activities Equipment/Program Support; the fee will generate approximately \$31,260 for the 1997-1998 academic year.

University of Northern Iowa officials proposed to eliminate the Building Fund for Student Activity fee allocation and increase the previously-approved Student Union fee from \$14.50 to \$23.10 (22.9 percent). The increased Student Union fee is intended for upkeep, renovation, and expansion of Maucker Student Union; the purpose is consistent with the university's mission and goals of providing a quality co-curricular experience for students.

President Koob expressed appreciation to the Board Office for working with university officials on the student fee allocation. He noted that students were disappointed at the loss of the student building fund. The students enjoyed the sense of responsibility.

President Koob introduced the newly-appointed University of Northern Iowa student body president Teresa Manley.

MOTION:

Regent Kennedy moved to (1) approve the Iowa State University revision to its allocations of designated fees for the 1997-98 academic year by changing the \$.90 Student Activities Contingency Reserve fee to delineate its purpose as Student Activities Equipment/Program Support; and (2) approve the University of Northern Iowa revision to its allocations of designated fees for the 1997-98 academic year by eliminating the Building Fund for Student Activity fee and increasing the previously-

approved Student Union fee from \$14.50 to \$23.10. Regent Pellett seconded the motion.
MOTION CARRIED UNANIMOUSLY.

REVISED PRELIMINARY GENERAL FUND OPERATING AND ATHLETIC BUDGETS FOR FISCAL YEAR 1998. The Board Office recommended the Board refer to the individual revised preliminary general fund operating and athletic budgets for FY 1998 in the attached budget memos.

The revised preliminary general fund operating budgets represent the Board's second consideration of the institutional budgets for fiscal year 1998 which begins July 1, 1997; these budgets do not include institutional restricted fund budgets. Final FY 1998 operating budgets, including restricted fund budgets, will be presented to the Board in July for approval.

The budgets were revised based on the Department of Management's allocation of salary appropriations, updated revenue estimates, adjustments to reallocations, and Board comments and actions at the May meeting.

Following consideration of the revised preliminary operating budgets, the institutions will determine specific salaries for each staff member and allocate funding to colleges, academic departments, and support and administrative units.

The preliminary FY 1998 general fund operating budgets for the five Regent institutions total of \$1.2 billion for FY 1998; this is an increase of \$47.4 million (3.9 percent) over the revised FY 1997 budgets. The FY 1998 budget increase of \$47.4 million from the revised FY 1997 budget was composed primarily of appropriations for salaries (\$25.8 million) and program initiatives (\$4.6 million), projected tuition revenues (\$7.5 million), projected health service revenues (\$8.5 million), and other projected revenues (\$1.0 million).

The preliminary FY 1998 general fund operating budgets submitted to the Board in May were revised as follows:

- Salary budgets were adjusted to reflect the \$25.8 million allocation of salary appropriations by the Department of Management; the allocation was based on an estimated health insurance rate increase of 8 percent for employees covered under state health care plans and 10 percent for employees covered under university health care plans and fully funds the salary policy.
- In accordance with the Board's five-year program of reallocations averaging two percent per year, the institutions have identified the following reallocations which will be used to fund strategic planning initiatives and mandatory cost increases:

University of Iowa	\$11,486,025	3.4%
Iowa State University	6,882,577	2.1%
University of Northern Iowa	3,509,498	2.4%
Iowa School for the Deaf*	131,541	1.8%
Iowa Braille & Sight Saving School	88,288	2.1%

* In combination with reallocations for FY 1997, ISD's reallocations for the two-year period have averaged 2.1%.

- Officials of the University of Iowa, the University of Northern Iowa and the Iowa Braille and Sight Saving School made minor refinements in other revenue sources to more closely reflect anticipated revenues.
- University of Northern Iowa officials incorporated specific dollar amounts for each of their strategic planning goals.

Mr. Richey stated that one of the important elements of determining budgets is the setting of the salaries of institutional heads.

MOTION: Regent Kelly moved that the report on the preliminary general fund operating budgets be received and that the salaries of the institutional heads for fiscal year 1998 be established as follows:
 President Coleman: \$205,920
 President Jischke: \$205,920
 President Koob: \$162,240
 Superintendent Johnson: \$82,742
 Superintendent Thurman: \$82,742
 Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin stated that the salaries represented 4 percent increases. He thanked the institutional heads for their good work.

(a) University of Iowa. The Board Office recommended the Board receive the report on the revised FY 1998 preliminary general fund operating budget for the University of Iowa in the amount of \$778,727,885.

The preliminary FY 1998 general fund operating budget for the University of Iowa of \$778,727,885 was \$27,350,348 (3.6 percent) greater than the revised FY 1997 budget; the general university budget was \$355,757,868, which represented an increase of \$17.0 million (5.0 percent) and is summarized in Table 1.

This budget was developed by the institution based on the Board's and institution's approved strategic plans, the Board's FY 1998 appropriation request to the Governor and General Assembly, the actions of the Governor and General Assembly, the Department of Management salary allocations, updated revenue estimates, and revised internal reallocations.

The FY 1998 budget increase was composed primarily of appropriations for salaries (\$12.3 million) and program initiatives (\$1.7 million), projected tuition revenues (\$3.9 million), projected health service revenues (\$8.5 million), and other projected revenues (\$1.0 million).

The preliminary FY 1998 general fund operating budget submitted to the Board in May was revised as follows:

- Salary adjustment was reduced by \$86,093 to reflect the actual allocation of salary appropriations based on a health insurance increase of 8 percent for employees on the state health care plans.
- Interest income estimates were increased by \$150,000 to reflect the current fiscal year experience.
- Additional internal reallocations of \$75,000 for FY 1998 were identified as result of further savings from the early retirement incentive program.
- The additional resources are being applied to support women's athletics (\$218,000) and Bridging, Training and General Expense initiative (\$7,000).
- Refinement of the sales and services revenue estimates for the health service units resulted in increased revenue of \$14,216.

President Coleman stated that the University of Iowa revised preliminary budget was essentially the same as what was presented last month with a few minor modifications. There was a slight change in revenue projections. University officials will be performing another analysis of tuition revenue. They believe enrollment will be up. Final estimates will be included in the budget to be presented to the Regents in July.

Regent Arenson referred to the \$75,000 additional internal reallocation available as a result of the window retirement incentive program. He asked what those numbers would look like in their entirety.

Vice President True responded that the University of Iowa was entering a year in which the early retirement program was just beginning. He said that next year they would see similar results even though the windows program will have been terminated. To give some sense of the numbers, he said there would be a savings of \$7 million in annual salary costs for positions that will not be filled immediately, which was a substantial boost to the reallocation program. Next year there would be some further results of the window retirement program, as well.

MOTION: Regent Fisher moved to receive the report on the revised FY 1998 preliminary general fund operating budget for the University of Iowa in the amount of \$778,727,885. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Iowa State University. The Board Office recommended the Board receive the report on the revised preliminary FY 1998 general operating budget for Iowa State University in the amount of \$346,381,330.

The preliminary FY 1998 general fund operating budget for Iowa State University of \$346,381,330 was \$14,721,622 (4.4 percent) greater than the revised FY 1997 budget and was \$17,801,478 (5.4 percent) greater than the original FY 1997 budget. The \$3.1 million difference between the original and revised FY 1997 budgets was primarily due to the \$3.0 million increase in tuition income as reflected in the budget ceiling increase approved by the Board in May.

The preliminary FY 1998 operating budget is summarized in Table 1. This budget was developed by the institution based on the Board's and institution's approved strategic plans, the Board's FY 1998 appropriation request to the Governor and General Assembly, the actions of the Governor and General Assembly, the Department of Management salary allocations, and revised internal reallocations.

The FY 1998 budget increase was composed primarily of appropriations for salaries (\$9.8 million), program initiatives (\$2.1 million), and new one-time appropriations (\$0.2 million); projected tuition revenues (\$2.4 million); and other projected revenues (\$0.2 million).

The preliminary FY 1998 general fund operating budget submitted to the Board in May was revised as follows:

- State appropriation funding was reduced by \$44,826 to reflect the actual allocation of salary adjustment appropriations based on a health insurance increase of 8 percent for employees on the state health care plans.
- Estimated internal reallocation for salary improvement corresponding to federal funds and indirect costs was reduced from \$400,000 to \$300,000 as the result of refinement of cost estimates.
- Within strategic planning goal #1, Undergraduate Education, \$230,824 was shifted from National Merit/Achievement Scholarships to Infrastructure for Strategic Initiatives based on revised estimates for funding requirements of the National Merit Scholarship needs.

President Jischke stated that university officials were having to tackle some very severe market problems for computer personnel. They are working on a process of reallocating funds to make salaries more competitive. He noted that this situation was the subject of a major article last Sunday in the Des Moines Register. Additional information would be provided in the final budget to be presented to the Board in July. He stated that university officials proposed to increase mileage reimbursement rates for business use of personal vehicles to slightly below that allowed by the IRS. He requested the Board's support of the university's recommendation to revise the Board's policy on transfer and cashability of TIAA-CREF accumulations. In the past, the Board has approved cashability for special early retirement programs for the University of Iowa. He believes the Board has made a decision on the principle of cashability. Transfer and cashability of TIAA-CREF accumulations is allowed at a number of universities. He believes the policy change is appropriate and that it has been done in the Regent system in other circumstances.

Mr. Richey stated that the proposal on TIAA-CREF cashability was under study by the Board Office. He hoped to have a recommendation for the Board by July. If it is not ready by July, it would be presented in September. He said the Board's retirement policies relate to state retirement programs. He has asked advice from legal counsel. If the Board allows TIAA-CREF to become a deferred compensation program rather than a retirement program, it may experience some pretty drastic changes in the state's contribution. The Regents need to maintain the integrity of TIAA-CREF as an annuity program.

Regent Arenson referred to the window retirement program and asked if complete cashability of TIAA-CREF was offered to those participants. Mr. Richey said it was offered to the extent that such cashability is allowed by TIAA-CREF, on a very limited basis with very distinct benefits to the institution. TIAA-CREF is a very adequate retirement program; it is 50 percent better than the retirement program of the state. He wants to make certain that those issues are taken into consideration before the Board makes a decision on this very important issue. They must maintain the integrity of the program as a retirement program.

Regent Pellett asked if the Regents were being requested to act on the TIAA-CREF or mileage requests at this meeting. Mr. Richey responded that they would not be acting on those two issues this month. The Board Office has requested information and has a study underway. He noted that mileage reimbursement was a collective bargaining issue. He hoped to have a recommendation to the Board by the July meeting particularly on the mileage reimbursement issue. He said the Board of Regents has a vast amount of statutory authority and it has to be used carefully especially when there

are other state agencies with vastly less authority. He does not want a policy change to cause the state to restrict its delegation of authority to the Board.

President Jischke stated that he would appreciate some action by the Board regarding cashability of TIAA-CREF.

MOTION: Regent Fisher moved to receive the report on the revised preliminary FY 1998 general operating budget for Iowa State University in the amount of \$346,381,330. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) University of Northern Iowa. The Board Office recommended the Board receive the report on the revised preliminary FY 1998 general fund operating budget for the University of Northern Iowa in the amount of \$112,005,041.

The FY 1998 preliminary operating budget was \$112,005,041, an increase of \$4,878,717 (4.6 percent) over the revised FY 1997 budget and was \$4,931,541 (4.6 percent) greater than the original FY 1997 budget. The \$52,824 difference between the original and revised FY 1997 budgets was primarily due to the increases in income as reflected in the budget ceiling increase approved by the Board in May.

This budget was developed by the institution based on the Board's and institution's approved strategic plans, the Board's FY 1998 appropriation request to the Governor and General Assembly, the actions of the Governor and General Assembly, the Department of Management salary allocations, updated revenue estimates, and revised internal reallocations.

The FY 1998 budget increase was composed primarily of state appropriations for salaries (\$3.4 million) and program initiatives (\$0.7 million) and projected tuition revenues (\$1.1 million), which are offset by decreases for a FY 1997 one-time appropriation and other projected revenues (\$0.3 million).

The budget is summarized in Table 1.

The preliminary FY 1998 general fund operating budget submitted to the Board in May was revised as follows:

- State appropriation funding has been reduced by \$21,091 to reflect actual allocation of salary adjustment appropriations based on a health insurance increase of 8 percent for employees on the state health care plans.
- Internal reallocations for FY 1998 have been adjusted, as requested by the Board in May, and are estimated at \$2.6 million (2.4 percent).
- University of Northern Iowa officials developed specific dollar amounts for each of the university's strategic planning goals which total \$3.9 million.
- University of Northern Iowa officials reviewed tuition and fees revenue; the total increase of \$1.1 million (3.9 percent) is commensurate with the Board approved tuition rate increase.
- Sales and services revenue for FY 1998 is budgeted at the FY 1997 amount of \$625,000 as a result of continuing the current practice of netting rebates against the related expenditures.

President Koob stated that University of Northern Iowa officials distributed income and reallocations according to the university's strategic plan.

President Newlin expressed appreciation for the university's reallocation relative to the strategic plan.

MOTION: Regent Fisher moved to receive the report on the revised preliminary FY 1998 general fund operating budget for the University of Northern Iowa in the amount of \$112,005,041. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Iowa School for the Deaf. The Board Office recommended the Board receive the report on the revised preliminary FY 1998 general fund operating budget for the Iowa School for the Deaf in the amount of \$7,559,724.

The preliminary FY 1998 general fund operating budget for the Iowa School for the Deaf was \$7,559,724, a \$276,901 (3.8 percent) increase over the revised FY 1997 budget.

Development of Iowa School for the Deaf's budget was based on the Board's and institution's approved strategic plans, the Board's FY 1998 appropriation request to the Governor and General Assembly, actions of the Governor and General Assembly, the Department of Management salary allocations, and internal reallocations.

The FY 1998 budget increase was composed primarily of appropriations for salaries (\$256,326), vocational education (\$30,000), and Phase III Educational Excellence (\$35,000) which are offset by a decrease in technology appropriations (\$45,000).

Internal reallocations of \$131,541 (1.8 percent) were developed to address several priorities of the strategic plan, the school improvement plan, and the instructional technology plan; in combination with reallocations of 2.3 percent for FY 1997, Iowa School for the Deaf's reallocations for the two-year period have averaged 2.1 percent.

The school's commitment to the strategic planning process was reflected in a total of \$408,055 new and reallocated revenue that will be used for compensation increases and adjustments of \$256,326, mandatory cost increases of \$18,000, and initiatives of \$133,729 in accordance with the five goals of Iowa School for the Deaf's strategic plan.

The FY 1998 preliminary operating budget is summarized in Table 1.

The preliminary FY 1998 general fund operating budget submitted to the Board in May was revised to reflect the actual allocation of salary adjustment appropriations.

Superintendent Johnson stated that the budget presented this month was essentially the same as what was presented last month.

MOTION: Regent Fisher moved to receive the report on the revised preliminary FY 1998 general fund operating budget for the Iowa School for the Deaf in the amount of \$7,559,724. Regent Lande seconded the motion. MOTION CARRIED UNANIMOUSLY.

(e) Iowa Braille and Sight Saving School. The Board Office recommended the Board (1) receive the report on the revised FY 1998 preliminary general fund operating budget for the Iowa Braille and Sight Saving School in the amount of \$4,312,266 and (2) approve a \$.21 per mile student transportation reimbursement rate for FY 1998.

The FY 1998 preliminary operating budget totals \$4,312,266, a \$127,304 (3.0 percent) increase over the revised FY 1997 budget.

The FY 1998 IBSSS budget was based on the Board's and institution's approved strategic plan, the Board's FY 1998 appropriation request to the Governor and General Assembly, the actions of the Governor and General Assembly, the Department of Management salary allocations, updated revenue estimates, and internal reallocations.

The FY 1998 budget increase was composed primarily of appropriations for salaries (\$141,975), an accounting system (\$20,000), and Phase III Educational Excellence funding (\$35,000), which are offset by decreases in technology appropriations (\$45,000) and sales and services revenue (\$24,755).

Internal reallocations of \$88,288 (2.1 percent) were developed toward achievement of the school's primary mission and strategic planning objectives.

The FY 1998 operating budget is summarized in Table 1.

The preliminary FY 1998 general fund operating budget submitted to the Board in May was revised as follows:

- Interest income increased by \$4,500 as cash balances and interest rates were projected to be comparable with FY 1997.
- Sales and services revenue decreased by \$9,902 as a result of lower rental income from a reduction of space occupied by the Benton County Extension Office, and as a result of decreased billings to area education agencies for administration of orientation and mobility, and itinerant services.
- State appropriation funding was increased by \$1,521 to reflect the actual allocation of salary adjustment appropriations.

Superintendent Thurman stated that reallocations were made according to the school's strategic plan. He anticipated that total reallocations over the 2-year period would be between 7 percent and 7-1/2 percent. As school officials create a new strategic plan over the course of the next year, he expects to see considerable recommendations for reallocations to take the school forward.

MOTION:

Regent Fisher moved to (1) receive the report on the revised FY 1998 preliminary general fund operating budget for the Iowa Braille and Sight Saving School in the amount of \$4,312,266 and (2) approve a \$.21 per mile student transportation reimbursement rate for FY 1998. Regent Lande seconded the motion. MOTION CARRIED UNANIMOUSLY.

(f) Regional Study Centers. The Board Office recommended the Board (1) approve the distribution of the Quad-Cities Graduate Study Center's FY 1998 appropriation of \$162,570 including salary increase funds; (2) approve the distribution of the Tri-State Graduate Study Center's FY 1998 appropriation of \$79,198 including salary increase funds; (3) approve the distribution of the Southwest Iowa Regents Resource Center's FY 1998 appropriation of \$108,562 including salary increase funds; and (4) receive the report on the FY 1998 revised preliminary budgets for the Quad-Cities Graduate Study Center (\$338,900), the Tri-State Graduate Study Center (\$133,773) and the Southwest Iowa Regents Resource Center (\$123,138).

The FY 1998 revised preliminary budgets for the centers were unchanged from the budgets presented last month.

MOTION:

Regent Lande moved to (1) approve the distribution of the Quad-Cities Graduate Study Center's FY 1998 appropriation of \$162,570 including salary increase funds; (2) approve the distribution of the Tri-State Graduate Study Center's FY 1998 appropriation of \$79,198 including salary increase funds; (3) approve the distribution of the Southwest Iowa Regents Resource Center's FY 1998 appropriation of

\$108,562 including salary increase funds; and (4) receive the report on the FY 1998 revised preliminary budgets for the Quad-Cities Graduate Study Center (\$338,900), the Tri-State Graduate Study Center (\$133,773) and the Southwest Iowa Regents Resource Center (\$123,138). Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

(g) Iowa Lakeside Laboratory and Three-Year Plan Report. The Board Office recommended the Board (1) receive the Iowa Lakeside Laboratory progress report (1995-1997) and (2) receive the report on the FY 1998 revised preliminary operating budget of \$390,148 for the Iowa Lakeside Laboratory, including \$313,388 in general funds to be provided as detailed below, with a budgeted account to be established at Iowa State University.

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

In 1947 the Board of Regents was made responsible, under the terms of a trust, for the operation and management of Lakeside Laboratory, which has served as a biological field station since 1909. The Laboratory's campus is 140 acres of land located adjacent to Millers Bay and the west shore of West Okoboji Lake.

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 report of Dr. Arnold van der Valk, Director of the Laboratory, on achievement of the eight goals established by the Board of Regents in 1994 for the Laboratory is summarized below; Dr. van der Valk made a presentation at the June Board meeting.

The FY 1998 revised preliminary operating budget of \$390,148 for the Laboratory included general funds of \$313,388, and room and board revenue and expenses estimated at \$76,760; this budget and its allocation among the universities was unchanged from that presented to the Board in May.

As a result of comments made at the May Board meeting regarding the distribution of funding of Lakeside Laboratory's budget among the three universities, the Board Office conducted a review; the recommended distribution of funding among the universities was the same as presented last month.

Lakeside Laboratory Progress Report (1995-1997)

The Lakeside Laboratory Coordinating Committee, chaired by Dr. Barak and consisting of representatives from the three universities and the Lakes area community, composed the new administrative structure established to facilitate the achievement of the three-year goals.

An early action of the committee was to select Dr. Arnold van der Valk, a faculty member at Iowa State University, as Director of the Lakeside Laboratory; 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.

The goals of the three year plan, which began July 1, 1994, were:

Enhance the Instructional Program to include all of the environmental sciences and examine other programmatic possibilities consistent with the mission of the Laboratory.

Increase Enrollments with a goal of 80 students; course enrollments should meet the minimum criteria for a summer course offering at the universities.

Improve Financial Situation so that additional income is generated to put the financing of the Laboratory on a more stable basis; attention was to be given to the privatization of some functions.

Reexamine Curriculum to broaden the mission of the Laboratory to include all environmental sciences.

Improve Relations with the Lake Okoboji Community and incorporate this goal as a component of the year round program for the Laboratory.

Increase Scholarships from a variety of external sources.

Examine Distant Learning Potential to determine what courses could be brought to the area and to provide unique instruction to other areas.

Enhance Research Opportunities through the broadening of the scope of the instructional programs.

Significant progress has been made in all of the approved goals, as detailed below, except the one related to distance learning. The following summarizes progress made in achieving the eight goals:

Enhance the Instructional Program

- All courses have been shortened from 5 weeks to 3 or 4 weeks making the summer program more attractive to students by allowing them to take more courses.
- The number of courses was increased from 10 to 15+ per summer.
- The summer session has changed from two to three terms.
- The focus of the instructional programs has become undergraduate education instead of graduate education.
- One new course is being offered through Iowa Lakes Community College.
- New one and two week courses for teachers were introduced in 1996.

- A very popular science camp for middle school girls was initiated in 1995.
- One week courses for the general public were started in 1996 and a whole term, Natural History Week, for the general public was begun in 1997.
- The use of Lakeside as an environmental education center by high school classes has begun.

Increase Enrollments

- Improvements in recruiting materials, especially the annual Bulletin, have been made.
- Registration procedures were greatly simplified.
- A World Wide Web site was established in 1995 and on-line registration started in 1996.
- Enrollments increased on average 250 percent in the last three years and have exceeded the Regents goal of 80 students since 1995. (Enrollment to date for the 1997 summer session is 167.)

Improve Financial Situation

- All of Lakeside's operations and maintenance that can be privatized are already privatized.
- Friends of Lakeside Lab, Inc., was established in December 1994 and was granted tax-exempt status by the IRS in August 1995.
- The Friends conducted a successful capital campaign in 1996/1997 to raise funds to build a water quality laboratory; the campaign raised over \$730,000 to construct the facility and they have a pledge of \$200,000 toward an endowment to operate the building when it is completed.
- Construction of the facility, which is the first major capital project in the Laboratory's Five-Year Capital Plan, will begin later this summer.
- During FY 1998 the Friends group will raise funds to equip the new facility.
- Increased enrollments have more than doubled housing revenues and these funds have been used to improve housing at Lakeside; 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.
- Planning is underway for additional housing facilities to replace obsolete units.
- Increased use of Lakeside facilities by groups for meetings and symposia has also generated additional housing revenues.

- Plans to turn Lakeside into a year-round environmental education facility are being implemented; the capital appropriations bill passed by the 1997 General Assembly and signed into law by Governor Branstad, includes \$140,000 for improvements at Lakeside Laboratory.
- The funds will be used to begin to winterize and upgrade Mahan Hall and the Mess Hall so that the facilities can be used on a year-round basis.

Reexamine the Curriculum

- More than ten new courses, including new courses in archaeology, ecology, environmental science, evolution, geology, and soils, have been introduced.
- Courses for high school and community college teachers were introduced in 1995 and expanded in 1996 and 1997.
- Short courses for non-traditional students were started in 1996 and a whole new term for these students established (Natural History Week) in 1997.
- Lakeside is becoming a key link among environmental science majors at all three Regent universities.

Improve Relations with the Local Community

- Friends of Lakeside, Inc. was established to get input into Lakeside programs from the local community.
- Programs for residents of Iowa Great Lakes have been greatly expanded.
- Coverage of Lakeside programs and events in local media has significantly increased.
- A newsletter, Lakeside News, is being published twice a year.
- Presentations about Lakeside have been given to a variety of local groups and service organizations.

Increase Scholarships

- Friends of Lakeside Lab, Inc. Scholarships were established; these are merit scholarships that cover room and board at Lakeside.
- Scholarship funding from the Okoboji Protective Association has more than doubled.
- Nearly all students who applied for scholarships in the last two years have received them.
- Friends plan to establish an endowment fund for student scholarships.

Examine Distant Learning Potential

- In the foreseeable future, there does not appear to be any reason to develop Lakeside as a distant learning center.
- The new water quality laboratory will contain a classroom that can be transformed into a distant learning center.
- The ICN fiber optic line now runs along the western edge of the Lakeside campus, and Lakeside should be hooked into the ICN system as soon as it is feasible.
- Funds to develop Lakeside as a distant learning center are not currently available.

Enhance Research Opportunities

- Better housing is available for visiting researchers.
- A new telephone system has been installed which improved communications between Lakeside and home campuses.
- New high-quality research space is being added in the water quality laboratory.
- Lakeside is developing its own research program that will focus on water quality of the Iowa Great Lakes.

FY 1998 Revised Preliminary Operating Budget

To improve the accounting of revenues and expenditures for the Laboratory it was recommended that a budgeted account be established at Iowa State University; this would differ from the current method in which the universities are billed based upon Laboratory expenditures.

The FY 1998 revised preliminary operating budget of \$390,148 for the Laboratory included general funds of \$313,388, and room and board revenue and expenses estimated at \$76,760; these amounts were unchanged from the budget presented in May and may be revised.

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

<u>Institution</u>	<u>Amount</u>	<u>Percentage</u>
University of Iowa	\$155,890	49.7%
Iowa State University	95,278	30.4%
University of Northern Iowa	<u>62,220</u>	<u>19.9%</u>
Total	\$313,388	100.0%

Director van der Valk discussed the history of Lakeside Laboratory. He then reported on the progress made in achieving the eight goals established by the Board three years ago. He said a tremendous amount of time and effort was spent to save the parts that still made sense. Class sizes consist of 8 to 10 students. He said Iowa Lakeside Laboratory is a very nice facility that very little is known about. With regard to curriculum and programs, he said all courses have been changed to 3 to 4 weeks for a 3 credit course. The number of disciplines in the program has been greatly expanded. Programs are offered to non-traditional students, attracting more people to the facility. He believes the goal in terms of broadening the program has been met. With regard to enrollments, the 80 student goal has been exceeded each of the three years that he has been director of the laboratory. There will be 200 people going through the laboratory this summer.

An area of major concern to the Board of Regents was community relations and financial support. Director van der Valk said the community is willing to support financially the Lakeside Laboratory. There has been an improvement in relationships and development of formal ties with the community. Friends of Iowa Lakeside Laboratory is an effective contact with the local community. It has also become the laboratory's fund raising mechanism. A major concern in the Iowa Great Lakes area is water quality. The laboratory focuses much of its research on water quality issues. Friends of Iowa Lakeside Laboratory has raised money for a new water quality laboratory. The fund-raising goal was \$710,000 and \$930,000 was raised including funds toward an endowment to operate the building when it is completed. He said the building is fully designed; ground breaking will be on Saturday. The facility will be built by this time next year.

Director van der Valk discussed the future of the laboratory, the 5-year capital plan and the 5-year strategic plan. He said the sewer system has been repaired which is the beginning step to becoming a year-round operation. The second step will be the building of the new water quality laboratory which will be a year-round building. He said

Lakeside Laboratory would become an environmental education center for year-round use by high schools, etc.

Director van der Valk stated that he has been working with the Iowa State University architecture department for two years to design new residential housing for Lakeside Laboratory. He is working with one of the local companies that builds prefabricated housing to get the materials at a reasonable cost. The desire is to have the residences built through the building trades program at Iowa Lakes Community College and through volunteer labor. Next year the first of four new buildings will replace the existing housing and make it possible to transform Lakeside Laboratory into a year-round facility.

Director van der Valk stated that there are plans to renovate Mahan Hall and the Mess Hall. Within the next 5 years, Iowa Lakeside Laboratory will become a year-round facility.

Regent Fisher asked whether the research is done on the 160 acre Lakeside Laboratory site or was it done off site. Director van der Valk responded that research was done both on site and off site. He said it depends on the nature of the research. Most of the Iowa Lakeside Laboratory site is managed as a nature preserve.

Regent Fisher asked whether a value had ever been placed on the Lakeside Laboratory property. Mr. Richey responded that it had not. He explained the complexity of the title to the property. He noted that University of Iowa officials proposed to drop this facility 4 to 5 years ago. The Board reviewed the legal requirements of the title at that time.

Director Barak stated that three years ago the Board established a new governance structure for Lakeside Laboratory which consisted of a steering committee with membership of the three universities and the local community. While the Board had some role in terms of guidance, the greatest achievement was hiring Arnold van der Valk as Director of the Lakeside Laboratory. He has done an outstanding job. Many wondered if it would be possible to do any of the things that Director van der Valk has accomplished.

Director van der Valk thanked Dr. Barak for his comments. He stated that Lakeside Laboratory has demonstrated some interesting things. He has learned as its director that when there is a need, universities can move quickly. Most of the changes that have taken place at the laboratory had to go through all three universities. He said there has been tremendous cooperation from all three schools. People have risen to the challenge. He thanked the officials of the three universities publicly for their efforts.

Regent Pellett thanked and congratulated Director van der Valk. She said his report was "a breath of fresh air" in comparison to the report the Regents received when she first came on the Board.

MOTION:

Regent Fisher moved to (1) receive the Iowa Lakeside Laboratory progress report (1995-1997) and (2) receive the report on the FY 1998 revised preliminary operating budget of \$390,148 for the Iowa Lakeside Laboratory, including \$313,388 in general funds to be provided as detailed, with a budgeted account to be established at Iowa State

University. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

(h) Athletic Budgets. The Board Office recommended the Board receive the report on the FY 1998 revised preliminary athletic budgets for the University of Iowa, Iowa State University and the University of Northern Iowa.

The FY 1998 athletic budgets presented this month were unchanged from those displayed last month, except that additional information was provided on athletic scholarships not included in the athletic budgets presented for Board approval.

FY 1998 revised preliminary athletic budgets for the University of Iowa, Iowa State University and the University of Northern Iowa total \$41,743,336 plus \$2,140,000 in scholarships not included in the budgets, to be financed as follows:

General Fund Support	\$ 5,496,307
Earmarked Student Fee for Operations	1,471,102
Earmarked Student Fee for Debt Service	695,000
Sports Income	17,778,507
Other Income	<u>16,302,420</u>
Subtotal	\$41,743,336
Scholarships Not Included in Operating Budget	<u>2,140,000</u>
Total	\$43,883,336

At the May meeting the Board requested information on athletic scholarships; athletic scholarships for FY 1998 were estimated to total \$8,340,872 as follows:

University of Iowa	\$3,636,000
Iowa State University	3,283,927
University of Northern Iowa	<u>1,420,945</u>
Total	\$8,340,872

All scholarships for athletes at Iowa State University and the University of Northern Iowa were included in the athletic budgets presented for approval by the Board; women's scholarships at the University of Iowa were included in the university's athletic budget presented to the Board and men's scholarships were funded by gifts for that purpose.

Regent Lande asked about the change in anticipated revenue in Iowa State University's athletic budget. President Jischke said the revenue was based partly on the number of likely participants in a major bowl. The proposed budget was based on one Big 12 team making it to an alliance bowl.

MOTION: Regent Fisher moved to receive the report on the FY 1998 revised preliminary athletic budgets for the University of Iowa, Iowa State University and the University of Northern Iowa. Regent Lande seconded the motion. MOTION CARRIED UNANIMOUSLY.

(i) Board Office. The Board Office recommended the Board receive the report on the preliminary budget of the Board Office for fiscal year 1998 in the total of \$1,898,755 with the understanding that the amount will be revised after the Governor acts on the salary of the Executive Director and the Board has taken action on the employment of consultants as may be recommended by the Organizational Audit Oversight Study Group.

The proposed budget of \$1,898,755 inclusive of the amounts estimated for inclusion in the institutional budgets represented an increase of \$385,000 over the current fiscal year. The costs shown in the budgets of University of Iowa and Iowa State University are shared by all five institutions.

The proposed increase of \$385,000 included \$250,000 to be administered through the Iowa State University budget for computer equipment and software and \$79,000 for the Associate Director of Information Systems to be funded in the University of Iowa budget.

Salary increases averaging 3.6 percent for Board staff were provided as well as Board expense at the level of estimated expenditures for the current fiscal year.

The proposed budget reflected the base appropriation reduction of \$40,000 by the General Assembly, which required a commensurate increase in institutional reimbursement funding.

That portion of the budget included in the Board of Regents accounts directly amounts to \$1,396,000 or a 3.48 percent increase. The total increase in appropriations for the operation of the Board for fiscal year 1998 amounted to 3/4 of 1 percent.

The proposed budget does not include funds for contracting with consultants to carry out certain studies recommended by MGT, Inc., and under consideration by the Organizational Audit Oversight Study Group. It was anticipated that the final budget in July would include appropriate funding for any contracts authorized by the Board.

The proposed budget did not include an adjustment in the salary of the Executive Director which is the statutory prerogative of the Governor. Any adjustment made by the Governor would be reflected in the final budget submitted to the Board for approval in July.

President Newlin stated that the upcoming report of the Organizational Audit Oversight Committee would have an affect on the Board Office budget.

MOTION:

Regent Fisher moved to receive the report on the preliminary budget of the Board Office for fiscal year 1998 in the total of \$1,898,755 with the understanding that the amount will be revised after the Governor acts on the salary of the Executive Director and the Board has taken action on the employment of consultants as may be recommended by the Organizational Audit Oversight Study Group. Regent Lande seconded the motion. MOTION CARRIED UNANIMOUSLY.

FY 1998 CAPITAL IMPROVEMENT PLANS AND ALLOCATION OF FY 1998 CAPITAL APPROPRIATIONS. The Board Office recommended the Board:

(1) Receive the report on Board of Regents FY 1998 capital improvement plans with the understanding that the proposed projects are subject to further review, availability of funding and specific project approval by the Board.

(2) Allocate the \$8,340,000 appropriated to the Board of Regents for FY 1998 for capital projects authorized by the Second Session of the Seventy-Sixth General Assembly (1996 session) as follows:

<u>Project</u>	<u>FY 1998 Allocation</u>
National Advanced Driving Simulator (SUI)	\$2,000,000
Engineering Teaching and Research Complex, Phase 1 (ISU)	4,900,000
Engineering Modernization/Addition (SUI)	<u>1,440,000</u>
Total	<u>\$8,340,000</u>

(3) Allocate the \$19,500,000 appropriated to the Board of Regents for FY 1998 for capital projects authorized by the First Session of the Seventy-Seventh General Assembly (1997 session) as follows:

<u>Project</u>	<u>FY 1998 Allocation</u>
Livestock Infectious Disease Isolation Facility (ISU)	\$ 6,080,000
Medical Education and Biomedical Research Facilities (SUI)	7,255,000
Lang Hall Renovation (UNI)	4,870,000
Engineering Teaching and Research Complex, Phase II (ISU)	950,000
Lakeside Laboratory Improvements (Regents)	140,000
Visual Alert, Fire Safety (ISD)	110,000
Deferred Maintenance (IBSSS)	<u>95,000</u>
Total	\$19,500,000

The FY 1998 capital plan report presented an overview of the institutions' FY 1998 anticipated capital improvement projects to be financed from all funds and a FY 1998 status report on previously approved projects with budgets exceeding \$1 million.

The institutions anticipate bringing to the Board for approval in FY 1998 project descriptions and budgets for 86 projects with an estimated cost of \$235.1 million.

The 1996 and 1997 sessions of the General Assembly appropriated \$136,555,000 for Board of Regents capital projects for the period FY 1997 - FY 2001. The 1996 session appropriated \$66,140,000 for FY 1997 - FY 1999 based upon projected cash flows of the authorized projects. The 1997 session appropriated \$70,415,000 for FY 1998 - FY 2001.

Although the appropriations are made over a multi-year period, the Board is authorized to enter into construction contracts beginning July 1 of the first fiscal year for which appropriations are made. The legislation provides that the Board is to determine the amounts to be allocated to each project for each fiscal year based upon project needs.

FY 1998 Capital Plans

The capital improvement plan for FY 1998 includes those projects expected to be brought to the Board for approval of project descriptions and budgets during FY 1998 and a status report on those projects previously approved.

Anticipated Projects

The distribution by institution of the 86 anticipated projects with an estimated cost of \$235.1 million was as follows:

	<u># of Projects</u>	<u>Estimated Cost</u>
University of Iowa		
General University	20	\$110,814,000
University Hospitals	28	57,221,000
Iowa State University	17	48,404,055 *
University of Northern Iowa	14	18,109,000
Iowa School for the Deaf	5	400,000
Iowa Braille & Sight Saving School	2	103,000
Total	<u>86</u>	<u>\$235,051,055</u>

* Does not include the estimated cost to implement the Residence Hall Strategic Planning project; the cost is unknown at this time.

The distribution by type of project was as follows:

<u>Category</u>	<u>Estimated Cost</u>
Fire and Environmental Safety	\$ 6,666,000
Building Deferred Maintenance	15,576,055
New Building Construction	87,846,000
Utility Expansion/Improvements	25,230,000
Remodel/Renovation	71,118,000
Telecommunications Improvements	15,385,000
Parking Improvements	10,680,000
Campus/Other	2,550,000
Total	<u>\$235,051,055</u>

Major priorities of the institutions are fire and environmental safety, deferred maintenance, and remodeling/renovation projects; these anticipated projects total more than \$110 million.

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

<u>Fund Source</u>	<u>Amount</u>
FY 1998 - FY 2001 Capital Appropriations*	\$ 40,088,000
Building Repair - Operating Budget	9,313,055
Future Capital Appropriations	7,400,000
UIHC Building Usage Funds	57,221,000
Revenue Bond Proceeds	70,895,000
Treasurer's Temporary Investments	18,265,000
Gifts	6,779,000
Residence System Improvement Funds	3,085,000
Overhead Use Allowance	2,700,000
Telecommunication Enterprise/Information Network Services	3,350,000
Utility Enterprise	5,900,000
Institutional Roads	1,800,000
Parking System	730,000
ISU Hilton Coliseum Bond Reserves	4,000,000
National Science Foundation	500,000
Other	3,025,000
TOTAL	<u>\$235,051,055</u>

* Other projects receiving FY 1998 - FY 2001 capital appropriations have had project descriptions and budgets previously approved by the Board; these are included in the status report section of this report.

MOTION:

Regent Pellett moved to (1) Receive the report on Board of Regents FY 1998 capital improvement plans with the understanding that the proposed projects are subject to further review, availability of funding and specific project approval by the Board. (2) Allocate the \$8,340,000 appropriated to the Board of Regents for FY 1998 for capital projects authorized by the Second Session of the Seventy-Sixth General Assembly (1996 session), as presented. (3) Allocate the \$19,500,000 appropriated to the Board of Regents for FY 1998 for capital projects authorized by the First Session of the Seventy-Seventh General Assembly (1997 session), as presented. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

REPORT ON ORGANIZATIONAL AUDIT OVERSIGHT COMMITTEE. The Board Office recommended the Board hear the report and adopt the recommendations of the Organizational Audit Oversight Committee.

Last month the Board approved the hiring of consultants to undertake the development of "performance measures" and the development of a governance database for the Board. MGT of America, Inc., the consulting firm that developed the recommendations for the performance measures and the Board's database, prepared proposals to provide the Board with specific performance measures and a turn-key governance database.

The proposal for the development of performance measures would cost an estimated \$89,534.00 and would take until the end of October to complete. The MGT proposal to develop the Board's governance database would cost \$73,812 and would take until the end of November to complete.

This information system project would result in a fully developed and implemented information system and would address the following current deficiencies:

- to develop a set of policy-based performance indicators that are methodologically sound to inform management on policy decisions per MGT's related recommendations in their January 1997 report to the Board;
- to ensure the highest level of internal and external comparability possible within the indicators developed;
- to involve institutions in the development of the indicators;
- to dovetail the indicators with existing and planned information systems - not require significant additional new data collection; and
- to complement current institutional governance reports - not supplant.

The Organizational Audit Oversight Committee reviewed the procedures for the Executive Director search and contracts with MGT on the development of performance measures and the Board Office governance database and made recommendations to the Board of Regents at this meeting.

The proposed processes and procedures for the Executive Director search include: the appointment of an Executive Director Search and Screen Advisory Committee to the Board of Regents, the selection of an executive search firm, a statement of the role of the Search and Screen Advisory Committee, a statement of the role of the executive search firm, and a timetable for conducting the search.

The Search and Screen Advisory Committee would essentially be responsible to the Board for conducting the search and screen of prospects for the Executive Director position and recommending four candidates to the Board. The Board of Regents would make the selection of an individual from the final list of four to be the next Executive Director.

The proposed Search and Screen Advisory Committee would consist of five members of the Board of Regents, four persons from the Regent institutions to serve ex officio non-voting, and a representative of the Board Office staff to serve ex officio non-voting appointed by the Board President.

The executive search firm would be responsible for providing professional services to the Search and Screen Advisory Committee and the Board President who will serve as chair of the Search and Screen Advisory Committee and will be responsible for the overall supervision of the search.

The proposed timetable for the search would begin in June with the approval of the items included in the docket and conclude in December with the selection of the new Executive Director.

President Newlin stated that the Organizational Audit Oversight Committee had met that morning and developed a series of recommendations for Board consideration. He presented highlights of the committee's deliberations and asked for a motion to adopt the committee's recommendations.

MOTION:

Regent Arenson moved to: 1) Authorize the Board Office to negotiate a contract with MGT, Inc., to develop a performance indicator system for the Board of Regents. 2) Approve a contract with MGT, Inc., to develop a Regent governance information system at a fixed price of \$73,812. 3) Approve the procedures for selection of an Executive Director, as follows: a) Approve the criteria for selection of an Executive Director. b) Authorize President Newlin to appoint a Search and Screen Advisory Committee consisting of: 1. One administrator from each university representing the central administrative areas of external relations, provost, and business and finance to serve ex officio non-voting. 2. Five members of the Board of Regents. The five Regents will include the Board President who will serve as Chair of the Search and Screen Advisory Committee and have overall supervision of the search. 3. An employee of a Regent special school to serve ex officio non-voting. 4. One current staff member from the Board Office to serve ex officio non-voting. c) Approve the duties of the Board of Regents and of the Executive Director Search and Screen Advisory Committee. d) Approve the duties of the executive search firm. e) Authorize the Organizational Audit Oversight Committee to select an executive search firm. f) Approve the revised position description of the Executive Director. Regent Kelly seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

Position Eliminated: T. Hensley Williams, Associate Director Human Resources/EEO, June 3, 1997.

MOTION:

Regent Arenson moved to approve the Register of Personnel Transactions, as presented. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

REGENT AFFILIATED ORGANIZATION REPORTS. The Board Office recommended the Board (1) Receive reports on the following affiliated organizations:

Iowa State University Agricultural Foundation
Committee for Agricultural Development (Iowa State University)

(2) Revise the submission date of the affiliated organization report for the Iowa State University Agricultural Foundation from June to December to coincide with the change in fiscal year.

The auditors' reports on the financial statements of the two affiliated organizations indicated that no major problems were identified. The annual reports and financial information of the organizations presented in this report are on file at the Board Office.

ACTION: This matter was approved by consent.

VENDOR WITH A POTENTIAL CONFLICT OF INTEREST. The Board Office recommended the Board approve the request from the University of Iowa to add the name of Polly Nichols, doing business as River Lights, Publishers, to the list of approved vendors with a potential conflict of interest.

Section 68B.4 of the Code of Iowa prohibits an official or employee of a regulatory agency from selling goods or services to the agency of which the individual is an official or employee except when certain conditions are met. The Code of Iowa requires all regulatory agencies to adopt rules specifying the method by which employees may obtain agency consent for exception; at its December 1990 meeting, the Board adopted rules that call for prior authorization of such sales by roll call vote of the Board.

University of Iowa officials requested that the name of Polly Nichols, Ph.D., doing business as River Lights, Publishers, be added to the list of approved vendors with a potential conflict of interest. Dr. Nichols is the Director of the Educational Services Department in the Child Psychiatry Service of the University of Iowa Hospitals and Clinics and is only working half time on phased retirement.

Dr. Nichols is a partner in River Lights, Publishers, a targeted small business, and is the author of its only publication to date, Clear Thinking, a psychoeducation worktext for adolescents with a manual for teachers or other helping professionals.

Although Dr. Nichols has decision-making responsibilities in her position as Director of Educational Services Department, units under her jurisdiction will not be purchasing from Dr. Nichols, doing business as River Lights, Publishers.

MOTION: Regent Ahrens moved to approve the request from the University of Iowa to add the name of Polly Nichols, doing business as River Lights, Publishers, to the list of approved vendors with a potential conflict of interest. Regent Arenson seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arenson, Fisher, Kelly, Kennedy, Lande, Newlin, Pellett.

NAY: None.
ABSENT: Smith.

MOTION CARRIED.

APPEAL TO THE BOARD OF REGENTS. The Board Office recommended that the Board deny the request for appeal.

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

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

Mr. Richey asked that this item be deferred until next month.

ACTION: President Newlin stated that the employee appeal was deferred until next month.

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

July 22-23, 1997	Iowa State University	Ames
September 9-10, 1997	University of Northern Iowa	Cedar Falls
October 15-16, 1997	University of Iowa	Iowa City
November 18-19, 1997	Iowa State University	Ames
December 17-18, 1997	West Des Moines Marriott Hotel	West Des Moines
January 14, 1998	Telephonic Conference Call	
February 18-19, 1998	University of Iowa	Iowa City
March 18-19, 1998	Iowa State University	Ames
April 14, 1998	Iowa Braille and Sight Saving School	Vinton
April 15, 1998	University of Northern Iowa	Cedar Falls
May 20-21, 1998	Iowa School for the Deaf	Council Bluffs
June 16-17, 1998	University of Iowa	Iowa City
July 15-16, 1998	Iowa State University	Ames
September 23-24, 1998	University of Iowa	Iowa City
October 21-22, 1998	University of Northern Iowa	Cedar Falls
November 18-19, 1998	Iowa State University	Ames
December 3, 1998	(To be determined)	Des Moines

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

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

EXECUTIVE SESSION. President Newlin requested the Board convene in closed session pursuant to the Code of Iowa section 21.5(1)(i) upon the requests of employees whose performance was being considered.

MOTION:

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

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session at 3:45 p.m. on Wednesday, June 18, 1997, recessed therefrom at 4:35 p.m., reconvened on Thursday, June 19, 1997, at 12:22 p.m., and adjourned therefrom at 2:08 p.m. on that same date.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday and Thursday, June 18 and 19, 1997.

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

Register of Personnel Changes for May 1997 had not been received and would be reported next month.

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, 1997.

Accept the appointment of LINDA MAXSON, Ph.D., as Dean of the College of Liberal Arts and Professor with Tenure in the Department of Biological Sciences effective July 1, 1997, at an annual salary of \$160,000.

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

NEW CENTER: CENTER FOR MACULAR DEGENERATION. The Board Office recommended the Board receive the report on the establishment of a Center for Macular Degeneration at the University of Iowa.

The proposed Center for Macular Degeneration will be entirely supported from external grant funds. In the event that these external grant funds are no longer available for this purpose, the center would be closed or university officials would seek Board approval to continue the center with institutional or state funds.

Macular degeneration is the most common cause of legal blindness in the United States and other developed countries. About 10 percent of people over age 65 are affected to some degree.

University officials proposed to assemble individuals with outstanding clinical and research expertise in the field of macular degeneration and provide them with sufficient resources so that they can collectively make rapid progress toward a cure for macular degeneration.

As the first center of its kind in the country, the center will be in a strong position to attract research funding.

ACTION: This report was received by consent.

NEW DEGREE PROGRAM: B.S. IN ORAL HEALTH SCIENCE. The Board Office recommended the Board refer the proposed Bachelor of Science Degree Completion Program in Oral Science at the University of Iowa to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation.

University of Iowa officials proposed to establish a Bachelor of Science degree completion program in Oral Health Science aimed at Associate in Applied Science (A.A.S.) graduates from allied dental health programs (dental hygiene, dental laboratory technology, and dental assisting).

In 1992, when the Board approved the discontinuance of the Dental Hygiene program at the University of Iowa it requested that the university explore the possibility of some kind of 2+2 program (2 years at a community college and 2 years at the university) to accommodate the needs of individuals in the dental science field who are interested in acquiring a 4-year degree. This proposal was in response to the Board's request.

The proposed program would offer holders of the A.A.S. degrees in dental health programs additional course work in the liberal arts and sciences. The proposed program would build on the existing Associate of Arts articulation model that is already in place at the university.

ACTION: This matter was referred by consent.

NEW DEGREE PROGRAM: PH.D. IN WOMEN'S STUDIES. The Board Office recommended the Board refer the request to establish a Ph.D. program in Women's Studies at the University of Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Iowa officials requested approval to establish a doctoral program in women's studies. The institution currently offers an undergraduate minor and a graduate concentration in women's studies.

The University of Iowa established its women's studies program in 1974 and maintains one of the oldest women's studies programs in the United States. The program has been distinguished from its inception for its interdisciplinary ties to social sciences at a time when most programs across the nation had interdisciplinary ties with humanities programs.

A baccalaureate degree in women's studies is available at Iowa State University. A masters' degree in women's studies is offered by the University of Northern Iowa.

The University of Iowa would have the only doctoral program in women's studies in the state and one of the few doctoral programs in women's studies in the nation.

University officials anticipate that the presence of a doctoral program in women's studies will augment career planning options for students in the master's concentration and enhance the quality of education for undergraduate students through scholarly research in interdisciplinary gender studies.

ACTION: This matter was referred by consent.

P&S CLASSIFICATION CHANGES. The Board Office recommended that the Board approve the addition of one new classification and the pay grade change in another classification as indicated below within the Professional and Scientific Classification System of the University of Iowa: (FY 1998 salary ranges)

1. Approve the re-establishment of the classification of Associate Director of Residence Services in the Department of Residence, pay grade 14 (\$47,165 - \$85,775)
2. Approve the change in pay grade of the University Financial Analyst from pay grade 13 (\$43,590 - \$79,280) to pay grade 11 (\$37,245 - \$67,725).

The Associate Director of Residence Services position has been inactive for 17 years. The strategic direction of the department necessitates increased management oversight of departmental quality improvement efforts. Managing technical services and overseeing the development of new electronic services in Residence Services will also be a responsibility for the Associate Director.

The Board was asked to approve the change in pay grade of the University Financial Analyst from pay grade 13 (\$43,590 - \$79,280) to pay grade 11 (\$37,245 - \$67,725). Previously this class contained a single incumbent who recently was approved to take early retirement. This position will not be filled.

MOTION:

Regent Kennedy moved to approve the addition of one new classification and the pay grade change in another classification within the Professional and Scientific Classification System of the University of Iowa, as presented. Regent Arenson seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

PERMISSION TO PROCEED WITH PROJECT PLANNING

Communications Center Remodeling and Renovation

University officials requested permission to proceed with project planning and the architectural selection process for the remodeling and renovation of the Communications Center. The Communications Center, which is located between the Main Library and the Engineering Building, houses the School of Journalism and Mass Communication and The Daily Iowan newspaper. The building, which is in need of complete renovation, consists of 33,000 gross square feet of space.

The university has evaluated current and future needs for the School of Journalism and Mass Communication and has determined that a renovated facility would best support the requirements of the program. The school is preparing to undertake a fund raising effort to join the university in providing funds to completely remodel and re-equip the

building. The other major occupant of the facility, The Daily Iowan, will also participate in funding the project. In addition to private funds the university plans to utilize other university resources to be determined.

In order to launch a fund raising effort the project scope and cost need to be developed.

The School of Journalism and Mass Communication will move into Seashore Hall this fall to free space in the Communications Center for use by the College of Engineering during the duration of the Engineering Building Modernization/Addition project. It is anticipated that the Communications Center renovation would begin once the building is vacated following completion of the Engineering Building project. For that reason, preliminary planning for the Communications Center remodeling will proceed to the degree required for the university's fund raising efforts with detailed planning to be completed closer to the time when the Communications Center will be vacated by the College of Engineering.

Hawkeye Athletic/Recreation Facilities Complex

University officials requested permission to proceed with project planning and the architectural selection process for development of the Hawkeye Athletic/Recreation Facilities Complex on the far west campus.

The university's Sports and Recreation Facilities Long Range Master Plan, prepared in 1992 and amended in 1995, addressed the growing need for student recreational space on campus. Consistent with the master plan is the development of athletic and recreation facilities on the far west campus to meet needs which cannot be accommodated on the main west campus.

The study resulted in the development of the Hawkeye Area Recreation Fields located west of the Hawkeye Court Apartments. The area consists of eight flag football and five multi-purpose fields which serve a variety of student uses. The study also identified an area just to the east of the Hawkeye Drive Apartments, on the northwest corner of Melrose Avenue and Mormon Trek Road, as a location for possible future development to include a swimming facility, tennis center, softball field, soccer field and support facilities.

University officials were now prepared to proceed with planning to develop the site. Planning would begin for an aquatics center, tennis complex, athletics visitor's center, and necessary support facilities. The facilities would be developed to serve men's and women's intercollegiate teams, recreational activities (when available), and physical education.

University officials requested approval to proceed with the architectural selection process to provide conceptual planning services for the proposed components of the project. It is anticipated that a single consultant will be retained for the entire project but it is possible that additional designers will be recommended for specific facilities following completion of planning for the site and preliminary design of the individual facilities. The university will return to the Board with a recommendation at the conclusion of the selection process.

The proposed Hawkeye Athletic/Recreation Facilities Complex would be funded with earnings and gifts to the athletic departments as well as other university resources to be better defined during project planning. To meet cash flow requirements of the project it is

very likely that revenue bonds will be a critical component of the financing. The university will discuss financing plans with the Board Office and the Board's financial advisor and bond counsel. All financing plans will be presented to the Banking Committee.

Regent Lande stated that he had received telephone calls about the Hawkeye Athletic/ Recreation Facilities Complex. Most of the calls were centered around financing of the project. The materials provided by the university indicated that the project would be funded with earnings and gifts to the athletics department as well as other university resources to be better defined during project planning. He stated that therein lies the nexus of the questions posed to him: To what extent are university general educational funds being utilized on this project?

Vice President True stated that part of the project planning is financial planning and part is physical planning. He said the financial planning will be driven in great part based on how the joint use is figured. The project will involve intercollegiate athletics and recreation for students. There are a variety of sources of funds for the project. University officials often use treasurer's temporary investments; no doubt those funds will be an ingredient. The general education fund will be an ingredient because of the project's support for student physical education. If debt is involved, and Vice President True believes it will be, the Board's financial advisor and bond counsel will be involved, as will the Banking Committee.

Regent Lande stated that he was comfortable authorizing the planning. However, he urged university officials to move faster on the planning for the financial aspects of the project versus the physical aspects of the project. Because of the nature of the project, there will be critical comments about funding issues.

Vice President True said university officials would do exactly that.

APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS

Medical Education and Biomedical Research Facility and Newton Road Parking Facility

In May 1996 the university received permission to proceed with project planning for the Capital Plan for the Health Sciences Campus, Related Medical Education and Biomedical Research Facilities.

Two of the project components are construction of the Medical Education and Biomedical Research Facility (including utilities relocation and infrastructure construction), and construction of the Newton Road Parking Facility. The university received Board approval to enter into agreements with Payette Associates, in association with Baldwin White Architects, to provide full design services for the Medical Education and Biomedical Research Facility, and Herbert Lewis Kruse Blunck to provide schematic design services for the Newton Road Parking Facility. The schematic design for each project was presented for Board approval.

Medical Education and Biomedical Research Facility

The Medical Education and Biomedical Research Facility is the centerpiece in the Health Sciences Campus Master Plan and will be the flagship building for the College of Medicine. The primary components of the building include instructional facilities for

students in the medical and related clinical program, and research laboratories and support facilities for the outstanding research programs of the college.

Approximately one-third of the building will be for medical education purposes. This area will consist of a variety of instructional facilities including interactive classrooms, a computer educational laboratory, study areas, and a clinical skills assessment and training center. In addition, the area will include four distinct student communities that will foster an academic sense of place for medical students.

The research facilities, which will account for the remaining two-thirds of the building, will include state-of-the-art flexible and repetitive laboratory modules to accommodate a broad range of research. Included will be offices and gathering spaces, and all areas will be organized to promote sharing of resources and interdisciplinary scientific collaboration.

Common to both programs will be a 250 seat auditorium and a 125 seat seminar room which will be placed around a four story "Great Hall," which will serve as an interaction area for the medical education and the research programs.

The building will consist of two connected wings totaling 203,700 gross square feet (111,016 net square feet) for a net-to-gross ratio of 55 percent. The north-south oriented west wing, consisting of 151,700 square feet, will include four floors, a basement and penthouse. The east wing, consisting of 52,000 gross square feet, will include five floors, a basement and a penthouse. The basement, or lower level, will be at surface grade on the north elevation. In response to budgetary constraints the east wing will be constructed initially as shell space with the expectation that a successful private fund raising campaign will permit interior construction prior to completion of the project.

The exterior image of the building will be modern, reflecting the diverse and functional interior program elements. For example, the repetitive, disciplined laboratory modules will be complemented by the sculptural shapes of the medical education components, and the auditorium and "Great Hall" elements of the building will be clearly expressed on the exterior of the building. Consistent with other distinguished contemporary buildings on campus such as the Boyd Law Building, the Iowa Advanced Technology Laboratories, and the Levitt Center for University Advancement (currently under construction), the predominate exterior materials are proposed to consist of limestone or pre-cast concrete, metal panels and glass.

The building will be located on the site of the present Steindler Building. The Health Sciences Campus Plan includes the razing of the west two-thirds of the Steindler Building in order to clear the site for construction of the Medical Education and Biomedical Research Facility. This location will allow integration of the new facility with the Health Sciences campus and other related teaching and research activities. The building will be strategically located on a new campus pathway and will be connected with the campus tunnel system and with the Eckstein Medical Research Building and the majority of the Health Sciences campus facilities via a second floor skywalk. Construction of the building is scheduled to be bid in the late summer or early fall of 1998 following the razing of the west two-thirds of the Steindler Building.

Subject to Board approval of the schematic design, the university presents the project budget in the amount of \$47,135,000 in Section C of this capital register.

Newton Road Parking Facility

The Newton Road Parking Facility will replace approximately 475 surface parking spaces that will be lost as the result of the relocation of Newton Road and construction of the Medical Education and Biomedical Research Facility. The planned capacity of the ramp, approximately 800 automobiles on six levels, will also provide needed parking expansion for this area of campus. Accessible parking is provided at every level of the ramp directly adjacent to the elevator lobbies. Access to the majority of spaces in the structure will be located at the west end of the facility and will be provided by a drive from the relocated Newton Road. In addition, approximately 45 spaces will be accessed from Newton Road farther to the east. These spaces are intended to serve special needs in this area of the campus including the Student Health Service, which will be located in Westlawn, and the University Hospitals child care facility. The project will also include approximately 33 surface parking spaces that will be available for short-term parking and drop-off/pick-up functions. The facility will be served by two stair towers with elevators located at the southeast and southwest corners.

In addition to the parking facilities the project will incorporate space to house the new Northwest Campus Chilled Water Plant. The facility will provide approximately 14,820 square feet of space at the east end of the lower level of the ramp for a 5,000 ton chilled water plant and construction of shells to house the two cooling towers that will serve the plant. The cooling towers are located north of the parking structure, adjacent to Highway 6.

The south facade of the parking facility will consist of a glass wall comprised of both translucent and clear glass. This glass wall will allow light to penetrate the interior of the structure while screening direct views of the cars. The north elevation of the facility will consist of a perforated copper panel system which will conceal the cars and soften the interior lighting. Copper was chosen to complement the brick facilities surrounding the site. The cooling towers will be sheathed in red brick.

President Coleman said she was pleased to present an updated progress report on the planning for the health sciences complex. The project will transform the west side of the campus and bring unification to the health sciences campus in addition to providing outstanding new teaching and research space.

Dean Kelch stated that it was a great pleasure for him to summarize the progress that had been made on the health sciences campus project. University officials were requesting Board approval of the schematic design and budgets for five key components of the plan. He reviewed the progress to date. The medical education building, scheduled for completion in the fall of 2001, will house the principal teaching areas for medical students during the first two years of their education. The project will revitalize the academic health science campus and position the University of Iowa for the future. Dean Kelch stated that throughout the design process university officials have been guided by certain principles which the Board approved and which he described. He noted that university officials face many challenges until the new building opens. There has been a positive response of students to the new medical curriculum. There is high confidence about future of the College of Medicine.

Dean Kelch introduced Jeff Burke of Payette Associates, Tom Baldwin of Baldwin White Architects, and Rod Kruse of Herbert Lewis Kruse Blunck.

Mr. Burke reviewed the schematic design of the Medical Education and Biomedical Research Facility. He said the key first step was to relocate Newton Road in order to make the campus totally pedestrian oriented.

Regent Lande asked for greater detail about the Newton Road relocation which was provided by Mr. Burke.

Regent Kelly asked whether there would be underground tunnels and skyways connected to the building. Mr. Burke responded that there would be a few underground tunnels and one skyway, which he described.

Regent Ahrens asked for additional information regarding parking. Mr. Burke responded that one of the key steps to implementing phase one is relocating Newton Road and site utilities. He presented slides of Newton Road as it exists and when it is relocated. He discussed parking as it is currently and how it will be with the new ramp.

Regent Arenson asked if there would be an increase in traffic on the relocated Newton Road. Mr. Burke responded affirmatively, noting that Newton Road would be widened.

Regent Lande asked if the site utilities would be placed in a utility tunnel with pipes or in earth. Mr. Burke responded that there would be a combination of both tunnels and direct burial.

Mr. Burke discussed the model of the project which showed the entire scope of the project. The design of the medical education building and the design of the parking ramp were integrated into the design of the campus.

Regent Lande asked how many floors of the parking ramp would be above grade. Mr. Kruse responded that the parking ramp would consist of six floors. There would be three floors above grade on the south side and six floors above grade on the north side.

Mr. Kruse stated that there would be parking for 800 vehicles. There were 475 existing parking spaces that would be replaced. He said the parking ramp was designed to be respectful of the facade of Westlawn. The 5,000 ton chilled water plant would be kept away from the pedestrian side of the parking ramp. In the future, there will be a pedestrian bridge over Highway 6.

Regent Lande asked why the pedestrian bridge was not part of the current project. Mr. Gibson responded that the project would be financed by the institutional roads program. University officials were considering financing the project with federal funds. There is a major safety issue involved. University officials are trying to work the pedestrian bridge into the current project but could not promise that was possible at this time.

The Regents continued to discuss with the project architects the access to the parking ramp from different directions and the safety issue involving Highway 6.

Mr. Burke discussed the floor plans for the medical education building. He said it is a prototypical program. It will be dynamic.

Regent Arenson asked if there was a fifth floor to the medical education building that would not be used right away. Dean Kelch responded that the entire northeast section

of the building would be shell initially. University officials wish to not underbuild on the precious land.

The Regents discussed the materials to be used on the skin of the medical education building.

Regent Kelly asked if the aging and weathering of the copper material would “drip green”. Mr. Burke responded that the “green” was part of the detailing of the building.

Regent Fisher asked how the medical education building fit in with the rest of the buildings on the medical campus. Mr. Burke responded that the medical education building is primarily surrounded by brick buildings; all different colors of brick and all different types of brick. In looking at the health sciences campus in general, the skins of the more distinguished buildings have been limestone with metal and glass. He said the medical education building is a flagship building for the College of Medicine.

Regent Lande urged the architects and university officials to maintain the feel, look and consistency of the medical campus.

Regent Lande asked if the sloped roofs on the various portions of the structures were functional or design induced. Mr. Burke responded that the slopes were functional. Mr. Gibson noted that all of the roofs were sloped; the university does not have any flat roofs built.

Regent Kelly stated that there can be concerns about architects building monuments to themselves. He expressed extreme confidence in university officials and asked who at the university was overseeing the work of the architects.

President Coleman responded that Dick Gibson was in very close contact with the architects. There is also an architectural committee on campus which reviews very critically the work of the architects. Dean Kelch, Vice President True and she are also working closely on this project.

Regent Kelly asked about the plans for technology in the medical education building. Mr. Burke stated that a consultant was on board to help describe and define how the new technology will interface with this project. Dean Kelch stated that there was a great deal of on-site expertise involved in this project.

Regent Kennedy stated that she was also concerned that as new buildings are built that they fit in with the rest of the campus. Dean Kelch said he agreed. The medical education building will be a flagship building for the College of Medicine for the future. The building will be set in limestone in a classical/modern approach. It will be the college’s equivalent of the Pentacrest.

Mr. Kruse stated that the University of Iowa campus is diverse. It is an outstanding institution in many ways because of its originality and diversity. He said the Regents have to trust the architects to some degree and they have to scrutinize the architects to some degree. He hoped the Regents felt that the architects were working with them.

Mr. Kruse proceeded to describe in detail the parking garage. He said the architects went through multiple gyrations of the parking ramp. The facility will accommodate 800 cars and replace 475 parking spaces currently around campus. He noted that a traffic

engineer assisted in the design. The architects will continue to work out the details with the assistance of a parking consultant. He was confident that they would solve any remaining issues of concern.

Regent Lande asked for the estimated deck life of the parking facility. Mr. Kruse responded that the maximum deck life was 40 to 50 years if they utilize materials and designs that require the lowest maintenance.

Mr. Kruse stated that the cooling tower would be clad in masonry. The north facade of the parking facility would be pin dot perforated copper screen which will screen the cars. The south side facade will be different and even more intriguing. The facade will be comprised of a glass screen consisting of transparent glass and translucent glass. The stair towers will be very clear glass. He noted that the glass would be as vulnerable as any glass. He did not anticipate any problems with vandalism but that was also an unknown. He concluded by stating that he believed it was a solid system.

Mr. Burke stated that it had been exciting to work on this project with the Regents, university officials, and hundreds of people on the university campus. There has been a free exchange of ideas. He hoped the Regents shared their enthusiasm for the project.

PROJECT DESCRIPTIONS AND BUDGETS

Medical Education and Biomedical Research Facility \$47,135,000
Source of Funds: Capital Appropriations, Revenue Bonds and
College of Medicine Gifts and Earnings

Preliminary Budget

Construction	\$ 37,708,000
Design, Inspection and Administration	5,420,000
Art in State Buildings	236,000
Contingency	<u>3,771,000</u>
 TOTAL	 <u>\$ 47,135,000</u>

University officials requested approval of the project budget in the amount of \$47,135,000 for construction of the Medical Education and Biomedical Research Facility. Funding for the project consists of a combination of capital appropriations, revenue bonds, and College of Medicine gifts and earnings. Since the project is not scheduled to be bid until late summer or early fall of 1998, the budget was adjusted to allow for anticipated inflation.

Not included in the project budget was an allowance for furnishings and equipment for the facility. This will be administered separately.

Newton Road Parking Facility

\$11,950,000

Preliminary Budget

Construction:	
Parking Ramp and Site Development	\$ 7,600,000
Chilled Water Plant Space, Cooling Tower Shells and Site Development	1,600,000
Parking Control and Security Equipment	360,000
Design, Inspection and Administration:	
Consultants	765,815
Design and Construction Services	668,185
Contingency	<u>956,000</u>
 TOTAL	 <u>\$ 11,950,000</u>
 Source of Funds:	
Parking System Revenue Bonds	\$ 9,950,000
Utility System Revenue Bonds	<u>2,000,000</u>
 TOTAL	 <u>\$ 11,950,000</u>

University officials requested approval of the project budget in the amount of \$11,950,000 for construction of the Newton Road Parking Facility. The project will be funded by the sale of Parking System and Utility System Revenue Bonds. The proposed sale of bonds was included on the bond issuance schedule presented to the Banking Committee in December 1996.

The Utility System Revenue Bond funds in the amount of \$2,000,000 will fund construction of structural shells to house the Northwest Campus Chilled Water Plant cooling tower equipment. As outlined in Section B of this capital register, the water plant will be incorporated into the Newton Road Parking Facility. This component of the parking facility was addressed during schematic design presentation of the project to the Board.

Medical Education and Biomedical Research Facility-- \$10,200,000

Utility Relocation

Source of Funds: Capital Appropriations, Revenue Bonds and
Income from Treasurer's Temporary Investments

Preliminary Budget

Construction	\$ 8,160,000
Design, Inspection and Administration	
Consultants	1,071,000
Design/Construction Services	88,000
Concept Development	65,000
Contingencies	<u>816,000</u>
 TOTAL	 <u>\$ 10,200,000</u>

University officials requested approval of a project description and budget in the amount of \$10,200,000 for utility relocations to serve the Medical Education and Biomedical Research Facility. The project will relocate existing utilities away from future building sites and will consolidate them in carefully selected common corridors. The project will include sizing of the new distribution system components to serve the anticipated utility needs within this area of the campus.

The project will result in a combination of utility tunnels, direct-buried piping, and ductbanks extending from the Eckstein Medical Research Building northward along the existing Newton Road and turning eastward along the north face of the Steindler Building to Westlawn. The project will also extend utilities northward from the Steindler Building between the west end of Westlawn and the proposed Newton Road Parking Facility.

Funding for the project will consist of a combination of capital appropriations, revenue bonds, and Income from Treasurer's Temporary Investments.

Newton Road Relocation\$1,800,000

Source of Funds: Institutional Roads Funds

Preliminary Budget

Construction	\$ 1,382,000
Design, Inspection and Administration	
Consultants	216,000
Design/Construction Services	32,500
Concept Development	29,500
Contingencies	<u>140,000</u>
 TOTAL	 <u>\$ 1,800,000</u>

University officials requested approval of a project description and budget in the amount of \$1,800,000 for the relocation of Newton Road which is an essential component of the Health Sciences Campus Plan.

Newton Road currently passes through the central area of the Health Sciences campus just north of University Hospitals. The relocation of Newton Road will remove detracting and potentially unsafe vehicular traffic from this pedestrian-intensive area, improving its suitability for academic programs.

The project will reconstruct and relocate approximately 2,130 feet of Newton Road. The project will also include the construction of an access road to the proposed Newton Road Parking Facility, a replacement access drive to the Medical Education Building, and public bus drop-off lanes.

Northwest Campus Chilled Water Plant\$7,130,000

Source of Funds: Utility System Revenue Bonds

Preliminary Budget

Construction	\$ 5,750,000
Design, Inspection and Administration	
Consultants	566,220
Design/Construction Services	244,780
Concept Development	51,500
Contingencies	<u>517,500</u>
 TOTAL	 <u>\$ 7,130,000</u>

University officials requested approval of a project description and budget in the amount of \$7,130,000 to construct a new chilled water plant to serve the needs of the west campus.

The water plant will provide cooling capacity for the new construction on the Health Sciences Campus and the increasing loads of the remainder of the west campus. Steam from the existing power plant will be the energy source for the 5,000 ton plant. The system design will incorporate current technology to provide a highly efficient operation.

The plant will be equipped with a steam turbine-driven centrifugal chiller and associated pumps, cooling towers, and controls to provide a complete, functional system. Interconnection with the existing West Campus Chilled Water Plant will provide maximum operational flexibility and efficiency.

University Hospitals and Clinics--Pharmacy Storage, Processing and Office Support Facility \$778,000

Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 669,500
Planning and Supervision	33,500
Architectural/Engineering Support	8,000
Contingencies	<u>67,000</u>
 TOTAL	 <u>\$ 778,000</u>

University officials requested approval of the project description and budget in the amount of \$778,000. The project will include the development of storage, receiving, processing and shipping areas. The project is required to meet current standards for drug storage and processing, increase operational efficiencies, and meet Building Code exiting requirements.

Work to be accomplished includes demolition of partitions, rooms finishes and abandoned utilities, and the installation of new fire-rated walls, room finishes and modifications to electromechanical and fire suppression systems.

University Hospitals and Clinics--Conversion of Rooftop Helipad to Heliport \$542,000
 Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 434,000
Architectural/Engineering Support	43,000
Planning and Supervision	22,000
Contingencies	<u>43,000</u>
TOTAL	<u>\$ 542,000</u>

University officials requested approval of a project description and budget in the amount of \$542,000 to convert the existing University Hospitals rooftop helipad to a heliport. The development of the heliport will allow roof-top refueling and will streamline helicopter functions and reduce operating expenses.

Work will include installation of a 10,000 gallon underground fuel tank and rooftop refueling equipment. The project will also provide lighting, safety fencing, and additional security measures to ensure that the roof area meets applicable building and safety codes for a heliport.

Iowa Memorial Union--Construct River Terrace \$300,000
 Source of Funds: Income from Treasurer's Temporary Investments

Preliminary Budget

Construction	\$ 226,500
Design, Inspection and Administration	
Consultants	46,000
Design and Construction Services	4,800
Contingency	<u>22,700</u>
TOTAL	<u>\$ 300,000</u>

University officials requested approval of a project description and budget in the amount of \$300,000 to renovate and landscape the riverbank area between the Iowa Memorial Union and the Iowa River. The project will include construction of a paved outdoor terrace to increase the functional use of the area. The terrace will serve as a gathering space and will include accommodations for informal seating, performances, and catered food service. The project will be designed primarily for student use but the area will also serve faculty, staff, and the public.

Burge Hall--East Side Landscaping April 1997 Budget \$247,000
 Source of Funds: Dormitory Improvement May 1997 Budget \$296,500
 Reserves

Project Budget

Initial Budget	Revised Budget
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	<u>April 1997</u>	<u>May 1997</u>
Construction	\$ 189,500	\$ 248,000
Consultants	28,800	28,800
Design and Construction Services	9,000	9,000
Contingencies	<u>19,700</u>	<u>10,700</u>
 TOTAL	 <u>\$ 247,000</u>	 <u>\$ 296,500</u>

Two bids were received for the project on May 6, 1997. Both bids exceeded the engineering estimate by at least 26 percent and had a range of approximately 0.38 percent. The university attributes the high bids to an increase in the project scope which incorporated a snow melt system into the project.

University officials did not believe that re-bidding the project would result in the receipt of more favorable bids. University officials requested Executive Director approval of the revised project budget and contract award in order to avoid a delay in the project.

* * * * *

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

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ARCHITECT ENGINEER AGREEMENTS

Newton Road Parking Facility \$695,815
Herbert Lewis Kruse Blunck, Des Moines, Iowa

University officials requested approval to enter into an agreement with Herbert Lewis Kruse Blunck to provide design development, construction documents and construction observation services for the project. The agreement provides for a fee of \$695,815, including reimbursables, which represents approximately 9.2 percent of the construction budget.

Medical Education and Biomedical Research Facility--
Utility Relocation \$1,058,487
Stanley Consultants, Muscatine, Iowa

University officials requested approval to enter into an agreement with Stanley Consultants to provide design development, construction documents and construction observation services for the project. The agreement provides for a fee of \$1,058,487, including reimbursables, which represents approximately 13 percent of the construction budget.

Newton Road Relocation \$216,000
Shive-Hattery, Iowa City, Iowa

University officials requested approval to enter into an agreement with Shive-Hattery to provide design development, construction documents and construction observation services for the project. The agreement provides for a fee of \$216,000, including reimbursables, which represents approximately 15.6 percent of the construction budget.

Northwest Campus Chilled Water Plant \$566,220
Burns and McDonnell Engineers, Kansas City, MO

University officials requested approval to enter into an agreement with Burns and McDonnell to provide design development, construction documents and construction observation services for the project. The agreement provides for a fee of \$566,220, including reimbursables, which represents approximately 9.9 percent of the construction budget.

University Hospitals and Clinics--General Hospital Sprinkler Systems \$74,000
Improvements--Phase A
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 \$74,000, including reimbursables, which represents approximately 12.3 percent of the construction budget.

Campus Fiber Optic Network--Project 14 \$67,000
MIS Laboratories, Watertown, WI

University officials requested approval to enter into an agreement with MIS Laboratories to provide design services for the project. The agreement provides for a fee of \$67,000, including reimbursables, which represented approximately 8 percent of the construction budget.

Iowa Memorial Union--Construct River Terrace \$40,604
Dunbar/Jones Partnership, Des Moines, Iowa

University officials requested approval to enter into an agreement with Dunbar/Jones Partnership to provide design services for the project. The agreement provides for a fee of \$40,604, including reimbursables, which represents approximately 17.9 percent of the construction budget.

University Hospitals and Clinics--UIHC Children's Playcourt \$29,736
Shive-Hattery, Iowa City, Iowa

University officials requested approval to enter into an agreement with Shive-Hattery to provide preliminary design services for the project. The agreement provides for a fee of \$29,736, including reimbursables, which represents 15.8 percent of the construction budget.

Amendments:

West Campus Parking Ramp Expansion Amendment #5 \$4,950
Herbert Lewis Kruse Blunck, Des Moines, Iowa

University officials requested approval of Amendment #5 to the agreement with Herbert Lewis Kruse Blunck. The amendment will provide additional services to correct a structural condition resulting from a contractor error. The contractor will reimburse the university in the amount of the amendment.

Amendment #5 will not result in an increase in the total project budget.

CONSTRUCTION CONTRACTS

Burge Hall--East Side Landscaping \$239,000
Award to: McComas-Lacina Construction Company, Iowa City, Iowa
(2 bids received)

Medical Laboratories--Remodel Laboratory Suites 214 and 317 \$1,197,000

Award to: McComas-Lacina Construction Company, Inc., Iowa City, Iowa
(5 bids received)

Iowa Memorial Union Ramp Facility Upgrade \$619,000

Award to: Taylor Ball, Cedar Rapids, Iowa
(4 bids received)

Parking Ramp Preventive Maintenance and Repair--1997 \$565,590

Award to: Western Waterproofing Company, West Des Moines, Iowa
(3 bids received)

Quadrangle Residence Hall--Telecommunications Improvements \$277,000

Award to: Gerard Electric, Iowa City, Iowa
(2 bids received)

University Hospitals and Clinics--TB Isolation Rooms-- \$209,570

Sixth Floor, Carver Pavilion

Award to: Larew Company, Iowa City, Iowa
(4 bids received)

Campus Fiber Optic Network--Project 10, Contract 5-- \$128,036

English-Philosophy Building--Phase B

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

Medical Laboratories--Remodel Laboratory Suites 214 and 317-- \$29,380

Asbestos Abatement

Award to: Economy Solar Corporation, Springville, Iowa
(6 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Institute of Hydraulic Research Modeling Facility--Oakdale Campus--

Site and Building Utilities

Hinman Contractor and Builder, Muscatine, Iowa

Electrical Distribution Improvements--West Campus

McComas-Lacina Construction Company, Iowa City, Iowa

MOTION:

Regent Fisher moved that the Register of Capital Improvement Business Transactions for the University of Iowa be approved with the exception of the program statements and design documents for the Medical Education and Biomedical Research Facility and the Newton Road Parking Facility. Regent Ahrens seconded the motion.
MOTION CARRIED UNANIMOUSLY.

MOTION:

Regent Kennedy moved to approve the program statements and design documents for the Medical Education and Biomedical Research Facility and the Newton Road Parking Facility. Regent

Arenson seconded the motion. MOTION
CARRIED UNANIMOUSLY.

LEASE OF PROPERTY. The Board Office recommended the Board approve the lease, as presented.

University officials requested approval to renew its lease as lessor with EnzyMed, Inc., for its use of 3,418 square feet of business incubator space located in the Technology Innovation Center at the Oakdale Research Park (2,250 square feet of laboratory space and 1,168 square feet office space) at the rate of \$2,459 per month (\$10 per square foot for the laboratory space, \$6 per square foot for the office space, \$29,508 per year) for a one-year period.

MOTION:

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

MOTION CARRIED.

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday and Thursday, June 18 and 19, 1997.

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

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

The register included the resignation of Issah Yakubu, Director of Internal Audit, effective June 30, 1997.

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, 1997.

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

RESTRUCTURING OF THE COLLEGE OF VETERINARY MEDICINE. The Board Office recommended the Board approve the restructuring of the College of Veterinary Medicine at Iowa State University.

Iowa State University officials proposed that:

1. The Departments of Veterinary Anatomy and Veterinary Physiology and Pharmacology be merged to create a Department of Biomedical Sciences.
2. The Production Animal Medicine and Services Section of the Department of Veterinary Clinical Sciences, Veterinary Extension and the Veterinary Diagnostic Laboratory be merged to create a new Department of Veterinary Diagnostic and Production Animal Medicine.

These changes took place as part of an effort to address the changing environment in which veterinary science is practiced and achieve improved effectiveness of the overall enterprise.

The proposed changes will bring together in a holistic way, the teaching, research, professional practice, and service efforts to address basic biomedical, companion animal and equine, production animal medicine and pathology and microbiology needs of the college's clients.

The recommendations for these changes grew out of both internal college study teams and accreditation study teams.

Any new costs as a result of the proposed restructuring will be covered from reallocations within the college.

Dean Ross described the proposal for reorganization and merger of existing departments within the College of Veterinary Medicine. He said the reorganization would provide access to the college's services in a seamless way, and would make the college more competitive for the future, which would better serve Iowans.

Regent Lande asked what would happen to the individuals whose positions were being eliminated. Dean Ross responded that in the first merger, there were currently two chairs whose positions were being effected. In the most recent appointment negotiations with those individuals, it was understood that the merger might take place and that the administrative overhead in that unit would be reduced. Those two individuals will become professors. With regard to the second merger, he said the number of administrators was not being reduced.

President Newlin expressed the Board's appreciation to Dean Ross for the presentation.

MOTION: Regent Arenson moved to approve the restructuring of the College of Veterinary Medicine at Iowa State University. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

PROJECT DESCRIPTIONS AND BUDGETS

Administrative Services Facilities Office Building-- \$1,432,000
Interior Furnishings and Finishing

	<u>Preliminary Budget</u>
Movable Equipment	\$ 1,382,000
Project Reserve	<u>50,000</u>
TOTAL	<u>\$ 1,432,000</u>
Source of Funds:	
Facilities Overhead Use Allowance	\$ 832,000
Administrative Data Processing Funds	300,000
General University Funds	<u>300,000</u>
TOTAL	<u>\$ 1,432,000</u>

University officials requested approval of a project description and budget in the amount of \$1,432,000 for interior open office furnishings and final finishes of the Administrative Services Facilities Office Building.

In July 1996 the university received approval of the project description and budget in the amount of \$5,800,000 for the Library Storage Building/Administrative Services Facilities Office Building project. The project will construct two buildings, the Library Storage Building consisting of open warehouse space for the storage of books, and the Administrative Services Facilities Office Building to house the functions of Extension Communications, Purchasing, Business and Finance, and Administrative Data Processing. The buildings will be located in the west Pammel Court area to maximize the use of existing campus circulation and to provide for future expansion of the buildings and services.

The furnishings, which were not included in the project budget for the buildings, have been planned based on a work flow analysis of the departments being consolidated into the building.

Gilman Hall--Parapet Wall Repair

\$342,000

Source of Funds: General University Funds

Preliminary Budget

Construction Costs	\$ 266,525
Professional Fees	41,340
Project Reserve	<u>34,135</u>
TOTAL	<u>\$ 342,000</u>

University officials requested approval of a project description and budget in the amount of \$342,000 to demolish and replace the parapet wall on the Gilman Hall addition. Construction of the Gilman Hall addition was completed in 1965. The existing parapet wall along the roof of the building has experienced severe weather-related deterioration, causing the parapet to absorb moisture for a number of years. The moisture has dissolved the mortar which has severely weakened the wall. This project will demolish and reconstruct the parapet.

Palmer Human Development and Family Studies Building

November 1996 Budget

\$5,900,000

June 1997 Budget

\$6,960,000

Project Budget

	Initial Budget <u>Nov. 1996</u>	Revised Budget <u>June 1997</u>
Construction Costs	\$ 3,967,250	\$ 4,792,175
Professional Fees	690,150	739,675
Movable Equipment	412,500	412,500
Utility Extensions	296,000	296,000
Project Reserve	<u>534,100</u>	<u>719,650</u>
TOTAL	<u>\$ 5,900,000</u>	<u>\$ 6,960,000</u>
Source of Funds:		
ISU Foundation	\$ 5,100,000	\$ 5,910,000
Income from Treas. Temp. Invest.	800,000	800,000
General University Funds	<u>0</u>	<u>250,000</u>
TOTAL	<u>\$ 5,900,000</u>	<u>\$ 6,960,000</u>

University officials requested approval of a revised project budget in the amount of \$6,960,000, an increase of \$1,060,000, which reflected the addition of third floor shelled space of 8,384 gross square feet. The plan for the third floor addition includes completion of the space at a future date to accommodate the needs of the college. University officials believe that incorporating the unfinished space into the original building construction would provide the most economical method to address future space needs.

While changes will be required to accommodate the additional floor, the basic exterior appearance will remain very similar to the design presented to the Board. The addition of the third floor will require modifications to the building's structural and mechanical systems and enclosure of the raised roof parapets to create the space. The mechanical and electrical systems will be sized for the new overall building capacity but will be capped at the third floor. Future development of the third floor space will require the extension of the mechanical/electrical systems and construction of partition walls.

In order to accommodate the increased project cost the revised budget included an additional \$810,000 from the Iowa State University Foundation which was being committed based upon the identification of additional fund raising sources for the project. The revised budget also reflected the addition of \$250,000 in general university funds.

The building is still projected for occupancy in the fall of 1999.

Regent Pellett complimented the university leadership for having the vision to do this. She said it would have a real impact on the people of Iowa.

President Jischke stated that it would not have been possible if it were not for an anonymous gift from a friend of the university.

C. Y. Stephens Auditorium--Orchestra Lift Repairs

Source of Funds: Iowa State Center Retained Earnings

January 1997 Budget

\$158,000

May 1997 Budget

\$275,000

Project Budget

	Initial Budget <u>Jan. 1997</u>	Revised Budget <u>May 1997</u>
Construction Costs	\$ 125,500	\$ 238,500
Professional Fees	17,320	21,000
Project Reserve	<u>15,180</u>	<u>15,500</u>
TOTAL	<u>\$ 158,000</u>	<u>\$ 275,000</u>

University officials requested Executive Director approval of a revised project budget and the contract award in order to proceed with the project and avoid delays. The additional funds for the project will be provided by the Iowa State Center.

* * * * *

University officials presented 10 projects with budgets of less than \$250,000. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

Amendments:

Utilities--Electric System Improvements--FY 1997
Brown Engineering Company, Des Moines, Iowa

Amendment #1 \$3,000

University officials requested approval of Amendment #1 in the amount of \$3,000. The amendment will provide revisions and additions to the project drawings to reflect an increase in the project scope. This consists of minor revisions to the electrical system design which were requested for the Department of Residence facilities.

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

Hilton Coliseum--Replace Roof Area A Amendment #1 \$54,865
Benchmark, Inc., Cedar Rapids, Iowa

University officials requested approval of Amendment #1 in the amount of \$54,865. The amendment will provide full-time construction observation services in lieu of periodic visits provided in the original agreement. The services will be billed for actual hours up to a maximum of \$54,865.

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

Maple-Willow-Larch Commons--Telecommunications Upgrade \$400.00
Brown Engineering Company, Des Moines, Iowa

Laboratory of Mechanics Remodeling \$11,500.00
Wehner Pattschull and Pfiffner, Iowa City, Iowa

CONSTRUCTION CONTRACTS

C. Y. Stephens Auditorium--Orchestra Lift Repairs \$237,000.00
Award to: Schumacher Elevator Company, Denver, Iowa
(2 bids received)

Telecommunications--Outside Plant System Upgrade--Phase 1 \$245,475.24
Award to: Wiring by Design, Urbandale, Iowa
(3 bids received)

Iowa State Center--Steam Line Loop \$392,700.00
Award to: ACI Mechanical, Ames, Iowa
(2 bids received)

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Student Health Center Change Order #5 \$90,391
Harold Pike Construction Company, Ames, Iowa

University officials presented Change Order #5 to the construction contract in the amount of \$90,391 for construction of the south plaza area. The original project design did not include a plaza area to the south of the building. The university has now completed a review of the south plaza area including the impact on the major west entryway by both the Student Health Center and the Engineering Teaching and Research Complex to be constructed in this area.

The Student Health Center project is nearing completion and accordingly, the project architects, Baldwin White, have prepared the design for the plaza to be incorporated into the project. The university determined that it would be advantageous to incorporate

this work into the existing construction contract and received a proposal from Harold Pike Construction Company in the amount of \$90,391. The university requested Executive Director approval of Change Order #5 in order to facilitate completion of the work this summer.

The Change Order will not require an increase in the project budget.

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

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

University officials requested approval of three public highway easements with Lucas County, Iowa, for the county's use of 3.8 acres on the McNay Research Farm to upgrade a road which borders the farm.

University officials requested approval to enter into a lease as lessor with RocketChips, Inc., for its use of 290 square feet of space located in Coover Hall on the Iowa State University campus at the rate of \$240 per month (\$9.93 per square foot, \$2,880 per year) for a one-year period.

University officials requested approval to enter into a lease as lessor with Hap's Air Service, Inc., for its use of space in Hangar #1 at the ISU Flight Service at the rate of \$400 per month (\$4,800 per year) for a one-year period.

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

MOTION CARRIED.

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday and Thursday, June 18 and 19, 1997.

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

Register of Personnel Changes for May 1997.

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, 1997.

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

APPROVAL TO PARTICIPATE IN WINDOW EARLY RETIREMENT INCENTIVE PROGRAM. The Board Office recommended the Board approve the proposal from the University of Northern Iowa for a retirement incentive program to be available June 1, 1997, through November 30, 1997, with a maximum number of ten participants.

At the May 1996 meeting, the Board approved the Retirement Incentive Program. The Board authorized the University of Iowa to offer the program at that time; the University of Northern Iowa now requested permission to offer the program.

The program allows for employees to seek approval for retirement with benefits under this program.

Elements of the Retirement Incentive Program are:

1. Eligibility of age 55 with 20 years of service.
2. Retirees have full access to TIAA-CREF accumulations under TIAA-CREF rules for cashability.
3. Life insurance benefit of \$5000.
4. Pre- and post-Medicare contributions for health and dental insurance.

5. Participation is limited to a specific number of participants established in advance by the institution and approved by the Board.
6. The Board must approve the period of time in which employees may make application for participation.
7. The program requires that the institution submit a report to the Board following the close of the window period.

University officials proposed to allow employees to make application for retirement under the Retirement Incentive Program between June 1 and November 30, 1997.

Retirement under this plan must begin no later than six months (for staff) or the end of the academic year (for faculty) after the close of the application window.

Participation in the program will be limited to ten participants.

University officials have held meetings to identify interest in the program. At this time there is one faculty member who is interested in participating. Additional work will be done to identify if there are other employees who may be interested.

The goal of the program is to offer a retirement incentive program which would be attractive to faculty and staff in units in which turnover is necessary to support new missions or would contribute to institutional vitality.

Mr. Richey stated that the benefits to the University of Northern Iowa were quite similar to those approved for the University of Iowa.

President Koob stated that of the 100 eligible employees, only 5 or 6 have expressed an interest in participating in the program. He said the limit of 10 employees was consistent with the need on campus.

MOTION: Regent Fisher moved to approve the proposal from the University of Northern Iowa for a retirement incentive program to be available June 1, 1997, through November 30, 1997, with a maximum number of ten participants. Regent Arenson seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

CONSTRUCTION CONTRACTS

<u>School of Music Classroom Building/Performing Arts Center</u>	<u>\$17,231,000.00</u>
Award to: Story Construction Company, Ames, Iowa (5 bids received)	

Regent Fisher asked for the breakdown of private versus public funds for the Performing Arts Center. President Newlin responded that the private funds amounted to approximately \$11 million, a little over one-half of the project cost.

FINAL REPORTS

<u>Bartlett and Lawther Halls--Exterior Repairs--Phase I</u>	<u>\$141,579.62</u>
<u>Commons North Parking Lot</u>	<u>\$382,228.22</u>
<u>Library Addition</u>	<u>\$7,837,608.85</u>
<u>McCollum Science Hall--Renovation of Chemistry and Environmental Science Research Facilities</u>	<u>\$640,307.72</u>
<u>Steam Distribution System--West Gym--Phase II</u>	<u>\$494,127.44</u>

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

LEASE OF PROPERTY. The Board Office recommended the Board approve the lease, as presented.

University officials requested approval to enter into a lease as lessee with Continental Real Property Advisory Services for the university's use of 240 square feet of space in Coronado, California, to serve as an office for Camp Adventure, a service learning program which focuses on the delivery of various youth services by university students in conjunction with the United States military, at the rate of \$375 per month (\$18.75 per square foot, \$4,500 per year) for a one-year period.

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

MOTION CARRIED.

MOTOR VEHICLE AND BICYCLE REGULATIONS - FINAL APPROVAL. The Board Office recommended that the Board give final approval to the University of Northern Iowa proposed FY 1998 increases in parking system fees.

At its May 1997 meeting, the Board gave preliminary approval to the proposed FY 1998 parking fee increases at the University of Northern Iowa, as required by Section 10.07 Traffic and Parking Regulations, subsection (C) of the Board of Regents Procedural Guide.

Increases in parking permit fees proposed for FY 1998 average 12.11 percent with percentage increases ranging from 5.97 percent for a motorcycle year permit to 20.18 percent for a general reserved parking year permit.

The penalty for altering, counterfeiting or illegal use of any parking permit will be increased from \$25 to \$50 per offense in response to a new permit issuance procedure which allows the use of a transferable hanging parking permit.

MOTION:

Regent Arenson moved to give final approval to the University of Northern Iowa proposed FY 1998 increases in parking system fees. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to 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 and Thursday, June 18 and 19, 1997.

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

Register of Personnel Changes for May 1997 which included two early retirements.

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, 1997.

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

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

PROJECT DESCRIPTIONS AND BUDGETS

Campus-Wide Sidewalk Replacement Program \$15,000

School officials requested approval of a project description and budget to replace some of the campus exterior walkways and sidewalks. The project will be funded by FY 1998 Building Repair funds and will be coordinated through Iowa State University.

MOTION: Regent Ahrens moved to approve the Register of Capital Improvement Business Transactions for the Iowa School for the Deaf. 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 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 and Thursday, June 18 and 19, 1997.

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

Register of Personnel Changes for the period of April 20 to May 17, 1997.

Approve the reappointment 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, 1997.

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

RESPONSE TO ADMINISTRATIVE POLICIES REVIEW. The Board Office recommended the Board receive the report.

At the request of the Board Office, Iowa Braille and Sight Saving School officials undertook an administrative review of policies, procedures, and practices regarding student services in November 1996.

Over the course of three days, three external reviewers drawn from residential facilities for visually impaired students interviewed staff, students, parents, and alumni of Iowa Braille to ascertain the degree of compliance with administrative procedures in effect at the school.

The reviewers made inquiries and recommendations in twelve policy areas.

The reviewers noted that sexual harassment and student behavior design policies were well-constructed and well-administered.

The reviewers recommended major revision of the school's child abuse policy and procedures. In response to the recommendation, school officials have revised its policy. In streamlining its child abuse policy, school officials enlisted the counsel and advice of the Attorney General's office to ensure that all requirements of Iowa law were met. The Attorney General's office advised the school and the Board Office that the proposed policy was ready for Board approval.

The reviewers recommended that staff training about child safety be on-going and provided to all staff. This has been and will continue to be the practice of the school. School officials implemented procedures to ensure more timely updating of its records.

In response to a recommendation that Iowa Braille increase the number of staff on its night shift, school officials temporarily added staff until such time that a study of staffing needs could be completed.

The review team recommended revisions of the emergency procedures of Iowa Braille to close loopholes. The amended emergency procedures were approved by the Board in March 1997.

The reviewers recommended that the school's procedures for a missing child be formally written. The procedures were written and will be published in the next printing of the employee handbook.

School officials implemented a recommendation to request additional information about students who are admitted to Iowa Braille.

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

CHILD ABUSE POLICIES AND PROCEDURES. The Board Office recommended the Board (1) approve revision of Iowa Braille and Sight Saving School's policy concerning child abuse, dependent adult abuse, abuse of students by employees, and the reporting of abuse thereunder; (2) approve revision of section 10.16 of the Board of Regent's Procedural Guide to reflect the adoption of this policy and its procedures; (3) authorize the Superintendent to appoint the designated Level I child abuse investigators and alternates to be included annually in the June personnel register for the next fiscal year; and (4) pending completion of review by the Attorney General's office, authorize the Board Office to approve a contract between the Iowa Braille and Sight Saving School and the Abbe Center for Community Mental Health for provision of services as Level II child abuse investigator.

Following a review of administrative policies, procedures, and practices, Iowa Braille and Sight Saving School officials undertook a revision of its child abuse policy and procedures.

The Attorney General's office reviewed the child abuse policy and advised the Board of Regents that the policy was ready for adoption. Iowa Braille worked closely with the Attorney General's Office as the policy was revised.

The revised policy combines dependent adult abuse provisions into its child abuse policy because the two procedures are similar. Since special education students may remain within the school system to age 21, the addition of dependent adult provisions into the policy about abuse addresses the entire age distribution within the student body.

The proposed policy makes a clear distinction about the reporting of abuse of children and dependent adults by (1) those responsible for the care of the student and by (2) school employees.

Approval of the revision of the school policy on child abuse will necessitate the revision of section 10.16 of the Board of Regents' Procedural Guide which contains Iowa Braille's child abuse policy.

At the request of the Attorney General's office, revision of the Iowa School for the Deaf's child abuse policy will be studied to provide for consistency between the two special schools.

MOTION:

Regent Pellett moved to (1) approve revision of Iowa Braille and Sight Saving School's policy concerning child abuse, dependent adult abuse, abuse of students by employees, and the reporting of abuse thereunder; (2) approve revision of section 10.16 of the Board of Regent's Procedural Guide to reflect the adoption of this policy and its procedures; (3) authorize the Superintendent to appoint the designated Level I child abuse investigators and alternates to be included annually in the June personnel register for the next fiscal year; and (4) pending completion of review by the Attorney General's office, authorize the Board Office to approve a contract between the Iowa Braille and Sight Saving School and the Abbe Center for Community Mental Health for provision of services as Level II child abuse investigator. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin congratulated Superintendent Thurman on the hard work that had been done.

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.

PROJECT DESCRIPTIONS AND BUDGETS

1997 Institutional Roads Program--Pavement Replacement \$45,000
North of Old Main

Source of Funds: 1997 Institutional Roads Program

School officials presented a project description and budget in the amount of \$45,000 to patch two sections of pavement north of the Old Main Building. The project is funded by the Institutional Roads program and administered by the Iowa Department of Transportation. The project was included in the Regents institutional roads program for calendar year 1997 which was approved by the Board in July 1996.

Five bids were received for the work on May 2, 1997, with the low bid being \$26,403.94. The bids exceeded the original estimate and the Department of Transportation attributed the cost increase primarily to an increase in the patching component of the project and associated engineering.

Based on the bids received and the Department of Transportation estimates for engineering fees and contingencies, school officials requested approval of a revised project budget in the amount of \$45,000 to allow award of the construction contract to the low bidder by the Department of Transportation.

MOTION: Regent Fisher moved to approve the Register of Capital Improvement Business Transactions for the Iowa Braille and Sight Saving School. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF TENANT RENTAL AGREEMENTS. The Board Office recommended the Board approval renewal of leases as lessor with the following tenants for their use of space on the Iowa Braille and Sight Saving School campus for a one-year period.

- Benton County Extension Office for its use of 2,246 square feet of office space located in Palmer Hall at the rate of \$935.83 per month (\$5 per square foot, \$11,229.96 per year).
- Iowa Department of Public Health for its use of 222 square feet of office space located in the Old Hospital Building at the rate of \$38.30 per month (\$2.07 per square foot, \$459.60 per year).
- Happy Time Child Development Center for its use of 5,084 square feet of space located in the Cottage Building at the rate of \$877 per month (\$2.07 per square foot, \$10,524 per year).
- Vinton Community Schools District for its use of 3,118 square feet of office space located in Palmer Hall at the rate of \$1,613.58 per quarter (\$2.07 per square foot, \$6,454.32 per year).

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

MOTION CARRIED.

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 1997-1998 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. BRIAN MEEKER , for medical services at a base fee of \$2,315 and an examination fee of \$35 for each student examined or administered service.

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

With the renewal of the agreement with Ms. Randall, occupational therapy services will be provided for the 1997-1998 school year at an hourly rate of \$40, which was the same rate as the agreement for the previous school year.

With renewal of the agreement with Karen Weltzin, physical therapy services will be provided to students for the 1997-1998 school year at a cost of \$40 per hour, which was the same rate as the agreement for the previous school year.

The agreement with Dr. Meeker for medical services for students provides for a base fee of \$2,315 for the 1997-1998 school year, which was the same rate as the agreement for the previous school year. However, the examination fee of \$35 per student represented an increase of 25 percent. This fee is the responsibility of the student's parent or guardian.

The total estimated FY 1998 cost for occupational and physical therapy services, based on actual FY 1997 costs, is \$4,500 each.

Provision of these services is a partial fulfillment of federal and state regulations for school services for disabled students.

ACTION: This matter was approved by consent.

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

Since the retirement of its speech/language pathologist in spring 1996, Iowa Braille has contracted with Grant Wood AEA for speech/language pathology services.

During the first year of contracting for this service, Iowa Braille underestimated the amount of time that services would be required. Original estimates purchased up to 114 days, which is 0.6 full time equivalent (FTE) staff.

During this next year, Iowa Braille is purchasing up to 152 days, which is 0.8 FTE.

Estimated cost in FY1998 is \$35, 862. Projected cost in FY1997 was \$25,978.

This portion of the contract increases staff time purchased by 33 percent while the cost increases 38 percent.

The second service Iowa Braille will contract from Grant Wood AEA is that of a school psychologist. This contract purchases up to 95 days (0.5 FTE). Time purchased from the AEA has not changed from previous contracts.

The FY1998 estimated cost is \$31,287 while FY1997 estimated cost was \$28,033. This is an 11.6 percent increase in costs.

The contract assumes that the current Grant Wood AEA staff members will be assigned to Iowa Braille during the next school year. Costs may increase or decrease if other staff are assigned to Iowa Braille by Grant Wood AEA.

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

ACTION: This matter was approved by consent.

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

ADJOURNMENT.

The meeting of the State Board of Regents adjourned at 2:08 p.m., on Thursday, June 19, 1997.

R. Wayne Richey
Executive Director