

The State Board of Regents met on Wednesday, March 18, 1998, at Iowa State University, Ames, Iowa. The following were in attendance:

March 18

Members of State Board of Regents

Mr. Newlin, President	All sessions
Ms. Ahrens	All sessions
Mr. Arenson	All sessions
Mr. Fisher	All sessions
Dr. Kelly	All sessions
Mrs. Kennedy	All sessions via telephone
Mr. Lande	All sessions via telephone
Mrs. Pellett	Excused
Mrs. Smith	All sessions

Office of the State Board of Regents

Executive Director Richey	All sessions
Deputy Executive Director Barak	All sessions
Director Houseworth	All sessions
Associate Director Elliott	All sessions
Associate Director Racki	All sessions
Minutes Secretary Briggie	All sessions

State University of Iowa

President Coleman	Excused at 1:48 p.m.
Provost Whitmore	Excused at 1:48 p.m.
Vice President Jones	Excused at 1:48 p.m.
Vice President True	Excused at 1:48 p.m.

Iowa State University

President Jischke	All sessions
Provost Kozak	All sessions
Vice President Madden	All sessions
Executive Assistant to President Dobbs	All sessions
Assistant to the President Mukerjea	All sessions
Director McCarroll	All sessions

University of Northern Iowa

President Koob	Excused at 1:34 p.m.
Provost Marlin	Excused at 1:34 p.m.
Vice President Conner	Excused at 1:34 p.m.
Vice President Follon	Excused at 1:34 p.m.
Executive Assistant to President Geadelmann	Excused at 1:34 p.m.
Director Chilcott	Excused at 1:34 p.m.

Iowa School for the Deaf

Superintendent Johnson	Excused at 1:30 p.m.
Director Heuer	Excused at 1:30 p.m.
Interpreter Reese	Excused at 1:30 p.m.
Interpreter Fowler	Excused at 1:30 p.m.

Iowa Braille and Sight Saving School

Superintendent Thurman	Excused at 1:32 p.m.
Director Woodward	Excused at 1:32 p.m.

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, March 18, 1998.

President Newlin stated that Regents Kennedy and Lande were in attendance via telephone due to weather conditions.

APPROVAL OF MINUTES OF BOARD MEETING OF FEBRUARY 18, 1998. The Board Office recommended the Board approve the minutes.

President Newlin asked for additions or corrections to the minutes.

MOTION: Regent Fisher moved to approve the minutes of the meeting of February 18, 1998, as written. Regent Arenson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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

Ratify personnel transactions at the Regent institutions;

Approve the request from the Iowa School for the Deaf to add Pleasure of Music and Water Tech, Inc., to the list of approved vendors with a potential conflict of interest;

Receive the status report on the Board Office budget for fiscal year 1998;

Approve the Board meetings schedule;

Approve the cooperative athletic agreement for Iowa School for the Deaf with Lewis Central Community School District;

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

Refer the request for an independent Ph.D. degree in Physical Therapy in the Department of Physical Therapy at the University of Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; and

Refer the request for a name change of the Department of Journalism and Mass Communication to the Greenlee School of Journalism and Communication at Iowa State University 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 Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION – POST-AUDIT REPORT OF INFORMATION SYSTEMS MAJOR, IOWA STATE UNIVERSITY.

The Board Office recommended the Board receive the post-audit report for the Major in Management Information Systems (MIS) at Iowa State University and approve continuation of the program.

Iowa State University officials reported on a Major in Management Information Systems (MIS) program five years after its approval by the Board. The program appears to meet expectations for the program at the time of its initial approval. The report was reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office and both recommended receipt of the report and approval of the continuance of the program.

MOTION: Regent Ahrens moved to receive the post-audit report for the Major in Management Information Systems (MIS) at Iowa State University and approve continuation of the program. Regent Arenson seconded the motion. MOTION CARRIED UNANIMOUSLY.

ACCREDITATION REPORTS. (a) University of Iowa. The Board Office recommended the Board (1) receive the reports on accreditations for programs in continuing medical education, physical therapy, recreation and leisure studies, and theatre; (2) request the university to report any changes in accreditation and provide copies of any subsequent reports to the Board Office for the physical therapy and leisure studies programs; and

(3) request that the university provide a copy of the response to the theatre program's progress report to the Board Office as well as provide the Board Office with the 1999 progress report and response.

Complete reports of each accreditation action are on file in the Board Office.

<u>Program</u>	<u>Degree Level</u>	<u>Accrediting Agency</u>	<u>Time Period</u>	<u>Conditions, Special Requirements</u>
Continuing Medical Education		Accreditation Council for Continuing Medical Education	4 years (2000)	None. A progress report was required that addressed 4 concerns and 4 deficiencies out of 53 standards. One standard is unresolved following progress reports and will be examined closely during the next accreditation visit.
Physical Therapy	Master	Commission on Accreditation in Physical Therapy Education	8 years (2005)	None. Eight concerns were noted out of more than 40 standards reported by the site visit team. Two progress reports were requested of the program. The first report addressed the proposed relocation. As this remained unresolved, the second report included all eight concerns. Response to this report is pending.
Leisure Services Management and Therapeutic Recreation in the Department of Sports, Health, Leisure, and Physical Studies	Baccalaureate	Council on Accreditation of the National Recreation and Park Association and the American Association for Leisure and Recreation	5 years (October 2002)	Accreditation was granted pending satisfactory completion of a progress report on three items out of covering 7 standards out of 61 examined, annual maintenance reports, and fees. Response to the progress report is pending.

<u>Program</u>	<u>Degree Level</u>	<u>Accrediting Agency</u>	<u>Time Period</u>	<u>Conditions, Special Requirements</u>
Theatre	Baccalaureate and Master of Fine Arts	National Association of Schools of Theatre	2005-2006 school year	None. A progress report was requested in 1998 and in 1999. Each focuses on two aspects of the programs in the department. Response to the 1998 report is ending.

Regent Fisher referred to the Leisure Services Management and Therapeutic Recreation accreditation report and asked if there is increased demand for that discipline. Provost Whitmore responded that there has been an increasing number of students.

Associate Provost Folkins stated that there are three tracks in the Department of Sport, Health, Leisure and Physical Studies. The greatest demand is in the health-related tracks which were capped recently. There is a good demand in the area of Leisure Services Management and Therapeutic Recreation.

Regent Fisher said he hoped that the program continues to grow and that it has the ability to grow. In our society there is a great emphasis on physical fitness.

Provost Whitmore stated that any time a cap is placed on a program, university officials attempt to expand availability over time. Often space is one of the limiting factors.

President Newlin asked about the joint sponsorship deficiency concern in the continuing medical education accreditation report. Associate Provost Folkins responded that the response submitted by the university eliminated the concerns raised about joint sponsorship deficiency. The university's response addressed the issue at length.

President Newlin stated that he has a greater appreciation for physical therapy than he did 6 months ago (prior to hip replacement surgery).

ACTION: President Newlin stated the Board, by general consent, (1) received the reports on accreditations for programs in continuing medical education, physical therapy, recreation and leisure studies, and theatre; (2) requested the university to report any changes in accreditation and provide copies of any subsequent reports to the Board Office for the physical therapy and leisure studies programs; and (3) requested that the university provide a

copy of the response to the theatre program's progress report to the Board Office as well as provide the Board Office with the 1999 progress report and response.

(b) Iowa State University. The Board Office recommended the Board (1) receive the reports and (2) request that the Board receive an update on the Iowa State University program in forestry promptly upon submission of its required progress report to its accrediting body in 1998.

A summary listing of the programs, their respective accrediting agencies, and the term and conditions of their accreditation is provided in the chart below. All six programs were awarded full accreditation by their respective accrediting agencies. In all reviews the programs received generally favorable reports, and none had serious deficiencies that would threaten probation or loss of accredited status.

Program	Degree Level	Parent Accrediting Agency	Time Period	Conditions, Special Requirements
Computer Science	B.S.	<i>Computing Sciences Accreditation Board</i>	6 yrs.	<i>An accreditation deficiency in oral communication skills was resolved, but this and three other areas of concern were cited for special attention.</i>
Industrial Technology	B.S.	<i>National Association of Industrial Technology</i>	6 yrs.	<i>None. Six of 61 standards are in partial compliance and are being addressed in long-range planning.</i>
Forestry	B.S.	<i>Society of American Foresters</i>	5 yrs.	<i>Progress report due in 1998 addressing concerns about space and access to computer facilities.</i>
Marriage and Family Therapy	Ph.D.	<i>American Association for Marriage and Family Therapy</i>	5 yrs.	<i>Five of 177 standards were deficiencies that required documentation in the program's 1996 annual progress report.</i>
Counseling Psychology	Ph.D.	<i>American Psychological Association</i>	6 yrs.	<i>None. Program received high or above average ratings in six of eight areas. Suggestions for improved diversity and assessment efforts.</i>
Predoctoral Internship in Psychology	**	<i>American Psychological Association</i>	5 yrs.	<i>None. Program received exemplary or above average ratings in all eight areas.</i>

Complete copies of the materials on all accreditation actions—including the self-study documents, site visit reports, correspondence, and institutional responses—are on file in the Board Office.

ACTION: President Newlin stated the Board, by general consent, (1) received the reports and (2) requested that the Board receive an update on the Iowa State University program in forestry promptly upon submission of its required progress report to its accrediting body in 1998.

REPORT ON MEETING OF THE IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION. The Board Office recommended the Board receive the report on the February meeting.

The Iowa Coordinating Council for Post-High School Education met on February 10 at the Iowa Valley Community College in Marshalltown. The Coordinating Council took the following actions on program requests:

- Deferred action on a request from Bellevue University (Nebraska) for four programs: (1) Business Administration of Technical Studies; (2) Health Care Management; (3) Management studies to be offered in Atlantic; and (4) Management studies to be offered in Red Oak. The council requested that Bellevue provide information on its accreditation for off-campus locations, the curriculum vitae of the instructor for each of the programs being proposed, descriptions of its course, and information on each from its students at the next meeting of the council.
- Approved a program for Legal Assistants/Paralegal Associate of Applied Science for Hamilton College following a discussion of concerns raised about its accreditation status. The Hamilton College representatives indicated that the concern was correct, the program is not accredited; however, it is not possible to apply for accreditation with the organizations that accredit this program until the program is in operation for 24 months.
- Approved a program in Industrial Machinery Maintenance and Repair at Iowa Western Community College and a Master of Arts in Education: Effective Teaching at Loras College.
- William Penn College reported on its program offerings in the Des Moines and Ames area, which were previously approved by the Coordinating Council. A question had been raised regarding William Penn's "Gateway Program". The William Penn representatives indicated that this was not really a program but the offering of several general education courses. The purpose of this offering was to assist students to meet the admission requirements of the college's baccalaureate program, which is offered in Des Moines and Ames.

- A concern was raised regarding the University of Iowa offering a "program" in Nursing in the Sioux City area without prior approval of the Coordinating Council. The University of Iowa representative explained that the nursing offerings had been a long-term activity approved by the ICCPHSE for statewide offering in the 1980s. It was also explained that the university was offering "courses" not a "program" in this area. The Coordinating Council does not approve courses. A cooperating hospital had apparently sent out brochures indicating that this offering was a program. A full report on this matter was requested for the May meeting.

Governor Branstad discussed *"The America's Promise ---Iowa Style: The Iowa Summit on Volunteerism"*. This is a "kick-off" meeting to be held June 10 & 11, at Drake University in Des Moines. This effort is building on a national effort started last year by the living U.S. Presidents to promote volunteerism. The Governor requested the assistance of the entire postsecondary education community in this effort.

The council briefly discussed a proposed committee to address one of the concerns raised by the recent ACCESS Education Commission for an ongoing communication between the educational community and business and industry in Iowa regarding distance education. The ICCPHSE Executive Committee will be revising the proposal based on input from the council.

Regent Fisher discussed the council's action to defer on the request from Bellevue University to offer programs in Atlantic and Red Oak. One professor was scheduled to teach 11 different courses. Bellevue University officials are to come back with answers to questions raised regarding accreditation, quality of the professor, course content, etc. He said Regent Pellett had visited with him about the community's concerns regarding quality of the programs.

Regent Fisher referred to the proposal to offer a program for legal assistants/paralegals by Hamilton College in the Mason City area. He said Regent Kennedy had some concerns because officials of Iowa Lakes Community College in Estherville believe there will be overlap with its program. Hamilton College officials convinced the Coordinating Council that there was very little overlap and the program was approved.

Regent Fisher stated that most of the other issues discussed by the Coordinating Council were not contested. He noted that Governor Branstad addressed the group on the Iowa Summit on Volunteerism.

Regent Kennedy asked to comment for the record on the legal assistant/paralegal program. She said the main concern of Iowa Lakes Community College officials was that Hamilton College officials were not working with lawyers in the state or with the paralegal program accreditors. The accrediting agency has very good and high

standards. Graduates should not be entering the marketplace from a program that is not accredited.

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

SPRING ENROLLMENT REPORT. The Board Office recommended the Board receive the report.

Headcount enrollment at Regent universities in the spring semester totaled 61,778 students as compared to 66,383 during the fall semester. More students graduate at semester time or do not register for the subsequent semester than enter the universities mid-year. Historically, spring enrollment is generally about 93 percent of fall enrollment with some institutional variances. When compared to the previous spring, enrollment increased 19 students at the University of Iowa, 314 students at Iowa State University, and 302 students at the University of Northern Iowa.

Generally, spring enrollment increases or decreases in comparison with the previous year in the same manner that fall enrollment increases or decreases with the previous year. However, the University of Iowa reported a small decrease in enrollments last fall but reported a small increase during the spring semester. Iowa State University and the University of Northern Iowa reported increases both semesters from the previous year.

Full-time equivalent (FTE) enrollments for spring semester increased over figures reported a year ago. The comparison of FTE to headcount enrollments showed small increases at the University of Iowa and Iowa State University. The University of Northern Iowa decreased slightly, but is still within a range normal for the institution.

Nonresidents comprise 25.8 percent of headcount enrollments at Regent universities this spring as compared to 25.9 percent in the fall. The University of Iowa continues to enroll about one-third of its students from other states while Iowa State University

enrolls slightly more than one-fourth of its students from other states. The University of Northern Iowa enrolls 6.8 percent nonresident students.

The 1,689 students enrolled in off-campus opportunities presented by the Regent universities are largely enrolled on a part-time basis and are predominantly residents of Iowa.

Director Barak reviewed the report with the Regents, noting that it was a positive report.

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

STRATEGIC PLAN OF THE BOARD OF REGENTS. The Board Office recommended the Board receive the report.

The strategic plan was approved in January with the understanding that corrections, updating, and editing would take place.

Since the January strategic planning meeting, the Board Office has been involved with editing the comments section of the action plan and reviewing the minutes to ensure that the appropriate comments and corrections are included in final plan. An editor has been engaged to prepare the completed plan for printing.

President Newlin reviewed the information provided in the docket memorandum. He asked that the Board reaffirm the action plan section of the strategic plan. In April the Board would again be presented with the responsibilities, mission, vision, values, and culture statements as edited and revised.

MOTION: Regent Arenson moved to reaffirm the action plan section of the Board of Regents strategic plan. Regent Fisher seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

REPORT ON LEGISLATIVE SESSION. The Board Office memorandum included recommendations that the Board (1) receive information on the 1998 legislative session; (2) continue its position of non-support of HJR 2002/HSB 688 Taxpayer's Rights Amendment because of its adverse effect upon the state's universities and special schools and direct the Board Office to work to ensure that appropriate amendments are enacted to eliminate as many of the problems in the proposed TRA as possible; and (3) express its thanks to Mr. David Stanley, President of Iowans for Tax Relief, for his diligent efforts with the Executive Director of the Board on this most important issue.

During the legislative session, two "funnel" dates are set. February 27 was the final date for House bills to be reported out of House committees and Senate bills to be reported out of Senate committees. March 20 is the final date for Senate bills to be reported out of House committees and House bills to be reported out of Senate committees. Bills referred to the Appropriations and the Ways and Means Committees are exempt. A number of bills of concern to the Regents have been eliminated as a result of the February 27 "funnel" date. However, some of them might be revived as amendments to other bills.

On February 23, the Executive Director, President Koob, and other university representatives made a presentation to the Joint Oversight and Communications Appropriations Subcommittee regarding the progress of the Regent institutions on the Year 2000 computer conversion and the need for FY 1999 funding for these costs.

The following represents the highest priority bills which are being followed by the Board Office and legislative liaisons; a position is established on each bill subject to revision after consideration by the Board.

HJR 2002 – (HSB 688 contains the same language as the joint resolution.) This joint resolution adds a new article to the Iowa Constitution for Taxpayers' Rights to limit the growth rate of the total revenue and total spending of state government. The definition of revenue includes all amounts received from all sources, including but not limited to all taxes, fees, charges, assessments, amounts borrowed, and other receipts with some exceptions. Spending includes all outlays for all purposes with a few exceptions. It would preclude the use of tuition and other institutional revenues in pursuing the Board's goals of excellence and appears to seriously impact the UIHC hospital revenues.

Mr. Richey noted, by memorandum to the Board, that it voted in February not to support H.J.R. 2002 Taxpayers Rights Amendment (TRA) in its current form because it would have an adverse impact upon the state universities and special schools and directed that the Board Office actively work to ensure that appropriate amendments are enacted to eliminate some of the substantial problems.

The proposed TRA would apply to receipts from all sources including appropriations, tuition, and fees, and charges for services with some exceptions. The exceptions would be private gifts and contracts, federal receipts, amounts borrowed through issuance of revenue bonds not requiring payment from tax revenues, and the net cost increase required by a new federal law or rule. Receipts for athletic events, cultural events, parking services, laboratory supplies and materials and for library fines would be among those covered. The revenue limit and the spending limit are identical except that annual spending cannot exceed actual revenue.

Receipts of all other state agencies except the Department of Transportation for motor fuel taxes and vehicle registration licenses would be similarly covered by the TRA. Receipts for fish and game licenses, insurance company and financial institution examinations, and all other charges for services would be among those covered by the proposed TRA.

The proposed annual revenue limit is equal to the total revenue in the last fiscal year adjusted by price inflation and changes in population. The price inflation is measured by the Index for State and Local Government purchases. It does not contain a factor for changes in the level of the state's economy as measured, for example, by annual personal income.

Mr. Richey noted that several Regents have requested information on the effects of such measures upon higher education in other states. A number of states have revenue and/or spending limits established by statute or by constitution, most of them based on changes in personal income and population. Reports indicate that higher education has been diminished in those states.

Six states use revenue limits, among them Colorado and Missouri. Representatives from higher education in Colorado report that this is the first year they are affected by the limits. The ceiling is based on growth in CPI and population. All revenues in Colorado higher education institutions are covered except gifts and Federal receipts. Enterprise revenues of the institutions may be excluded upon application. The appropriations are limited to an increase of 6 percent over the previous year. Problems reported in Colorado are that enrollment is growing faster than population. Major infrastructure problems cannot be addressed. They are "very worried" about the growing needs of local public schools and of corrections with which higher education must compete. Tuition income above the permissible limit "must be turned back" regardless of the needs of the universities.

Missouri higher education officials state that the limits "are deadly" but the immediate effect has been postponed by reallocations to higher education by the Governor.

Representatives of two other states, Oregon and Washington, report significant effects upon higher education. Spending limits in Oregon are statutorily tied to personal income growth. A measure passed in 1990 shifts K-12 schools and community colleges from support largely by property taxes to state financing for the most part. The reported effect of this measure over six years has been to shift \$150 million from higher education. Other measures have caused additional major shifts of funds from higher education. Tuition rates are up 85 percent since 1990. Funds for capital needs are severely restricted.

The state of Washington limits expenditure growth to price inflation. While K-12 schools are protected by the constitution, higher education has suffered. Enrollment growth is affected. Faculty salaries showed no growth in the previous biennium and increased only 3 percent over the current biennium. There is "a lot of frustration on the campuses."

Connecticut has a constitutional provision limiting increases to the greater of inflation or personal income growth. "Geometric increases in tuition" were reported. Higher education appropriations represent only four percent of the budget in that state.

Reports from California higher education representatives indicate that there have been many adverse consequences. Tuition levels have grown from practically zero to the national average. Independent foundations have been newly created to avoid the revenue and expenditure limits. Among these are foundations for university housing and dining enterprises. "Revenue neutral reallocations" have been devised by the General Assembly to bypass some of the limits. These "shenanigans" have lowered credibility of the government, according to Board Office sources.

Mr. Richey said in the memorandum that the effect of the proposed TRA upon the Iowa Regent universities and special schools would be far-reaching. He said that inclusion of all receipts except federal and private gifts would practically eliminate the Regents governance authority as it exists today. Tuitions, enrollment levels, housing and dining rates, hospital and clinical physician rates, indigent patient admissions, parking rates, athletic ticket rates, and enterprise financed capital programs would be established either explicitly or implicitly by the Governor and General Assembly because of the revenue and expenditure limits.

The memorandum continued saying that lumping together the revenues and expenditures limit for all of these activities and of other state entities establishes a completely new budget equation for the state. Parking, housing and dining, athletic and many other programs are competing directly for the same revenue and spending authority with instructional and research programs. When other programs such as protection of fish and game, regulation of insurance companies and financial institutions are added in, the challenges facing the Board of Regents, Governor and General Assembly will become very difficult to surmount.

The proposed TRA will have adverse consequences upon the programs and the character of the Regent institutions. The impact upon the College of Medicine's ability to earn funds will be severely limited. It will affect adversely the ability to maintain and to recruit outstanding faculty and to be well enough equipped to remain on the frontiers of medical technology and vanguard of patient care. Since the University Hospitals

would be able to charge only the cost of a service to a patient, only funds that could be earned within the revenue limit could be used for care to indigent patients. Similar effects would be felt by the research programs at the Iowa State University Experiment Stations.

The condition of buildings and facilities has been a long-standing concern of the Governor, General Assembly, the Regents and the institutions. Funds for building upkeep would be severely diminished as a result of the revenue/spending limits. It would increase dramatically the backlog of projects for fire safety and deferred maintenance.

Distance education initiatives authorized by the Board of Regents last fall would need to be curtailed or eliminated. These programs are in major demand. Utilization of technology in instruction and research would be retarded because of limited budgets.

All three universities would have to become smaller either in size, scope of programs, or quality, or all three. Despite the fact that the Board has encouraged major marketing efforts for both in-state and out-of-state students, enrollments may have to be reduced to stay within revenue limits and spending limits in the future.

Faculty salaries are now generally competitive. Maintaining that competitive position would be very difficult given the new, much more fiercely competitive environment for funding. Although K-12 schools are held constant in their percentage of the state's revenue under the proposed TRA, the permissible growth formula will undoubtedly cause them to seek a larger share of state revenues or higher local taxes.

Mr. Richey noted in the memorandum that the entrepreneurial spirit of the Regent universities, which has contributed immeasurably to their present quality, will be very difficult to maintain under the proposed TRA. These institutions have customarily sought ways to finance programs and projects without going to the state for appropriations: witness the new telecommunication systems at all three universities and \$60 million for new, more efficient environmentally friendly boilers at Iowa State University and the University of Iowa. Parking systems, public transportation systems and recreational programs have been established through this "can do without state funds" attitude. With the burden of the revenue and spending limit that would be imposed by the TRA, much of these incentives could be lost. Even royalty income to the universities would be subject to the revenue and spending limit.

The cost of administration of the institutions to conform to the TRA would be significant. Expenses of accountants alone would expand. Costs of litigation to the state would rise considerably.

Many Regent employees not now interested in unionization might feel the need to organize in order to have legal standing during the distribution of limited funds in the future. This issue was before the Board in the early-1990s when differential salaries were paid as a result of legislative action to implement an arbitrator's decisions on labor contracts.

Mr. Richey asserted in the memorandum that the state of Iowa can be proud of its successful fiscal management. The following facts are indicative of that success:

- Iowa is among the top ten states in overall fiscal management.
- Iowa has limit of 99 percent of estimated receipts that can be appropriated.
- Annual action is required by Governor and General Assembly on appropriations that were formerly automatic.
- GAAP accounting conformity is fully achieved by allocation of \$184 million.
- State Cash Reserve Fund is full at \$220 million.
- State Economic Emergency Fund is full at \$220 million.
- General Fund balance on 6/30/98 is estimated at \$392 million.
- Aggregate Balances including reserves are at \$832 million or 18 percent of State General Fund.
- Iowa has a well-financed Infrastructure Fund.
- Income tax was cut 10 percent last session.
- More tax cuts are projected this session.
- A superb and on-going program of fiscal accountability has been in effect 5 years.

Mr. Richey reported that he met with Mr. David Stanley, President of the Iowans for Tax Relief, to discuss the serious concerns of the Board of Regents regarding the TRA as embodied in HJR 2002. It was a cordial meeting.

Mr. Stanley was informed of the Board's concerns at the absence of a factor in the allowable growth "formula" relating to the state's economic activity. Mr. Richey said he proposed that a third factor be added that included changes in real personal income (inflation adjusted). With price inflation and population changes, the inclusion of personal income would provide a more comprehensive formula. It would more appropriately relate to required funding for state programs and services. Inflation growth with a static population, taken alone, would not be adequate to provide services in the future.

The impact on the Regent institutions of the provision of the TRA requiring that all receipts from fees and charges was described in detail to Mr. Stanley. The effects of this provision upon Regents governance, quality and extent of institutional programs,

the entrepreneurial activities of the institutions, as well as indigent patient services financed by the UIHC and clinical faculty earnings were covered.

Mr. Stanley expressed his long-standing support, both professional and personal, for the universities. His responses to the suggested revisions of HJR 2002 are contained in his letter to the Executive Director dated March 4, 1998. Mr. Stanley stated that the formula for limiting revenue was one of the "essential principles that go to the heart of our organization's purposes." For that reason, he declined to recommend the addition of personal income as a factor in the formula for revenue and expenditure growth.

President Newlin recognized Mr. Richey for oral comments on the proposed Taxpayer's Rights Amendment.

Mr. Richey said the measure would, in addition to the problem of the formula, place under a single overall state ceiling funds and programs (close to \$1 billion) with which the Regents do not now compete. The needs of K-12 schools although guaranteed to be no less a percentage than the current percentage of the state general fund would, because of the formula, be in a very intensive competition with Regent needs and with the rest of the state needs in a way that they are not now because there would be such a restricted ceiling.

If state tuition and fees were exempted, the only recourse for the Board of Regents to finance additional needs beyond what it could get from the very competitive state ceiling would be from tuition. Mr. Richey noted that in states that have these kinds of limits, tuitions have skyrocketed and they would skyrocket in Iowa because that would be the only money available to adjust for needs. Ironically, the more Regent tuition goes up, the lower the demand for the private college tuition aid program which is a matter of some concern to the private colleges. Even with a Governor who has a very high priority for higher education, with the insistent demands of K-12 and the property tax implications, higher education would become somewhat of a budget balancer in the state budget. This situation would occur more in the future with this amendment than it is at present.

Mr. Richey stated that the strategic plan the Board of Regents adopted in January and re-ratified at this meeting would have to undergo major change because the aspirations for excellence could not be financed within the rather narrow ceiling. He said that based on the first three quarters of calendar 1997 under the formula proposed in the resolution, the ceiling would be 2.1 percent. The predictions for the whole of calendar 1997 are that the state and local government index will increase 2.4 percent. With the first three quarters at 2.1 percent, inflation would have to have shot up in the last quarter in order to reach that amount. He said a 2.4 percent increase simply would not

sustain the programs of the institutions and provide the margin of quality that the Board requires.

Under the proposed taxpayers rights' amendment, Mr. Richey stated that along with major growth in tuition rates, a number of academic and student service programs would have to be eliminated. Essential programs at Iowa State University that experienced dramatic increases a few years ago include agricultural research and extension. The Board recently approved a policy relative to distance education which would have to go into the "tank" pretty quickly. The TRA would limit the amount of allowable state growth in revenue regardless of the state's needs. There would be two "outs". With a 2/3 majority vote of the General Assembly the ceiling could be exceeded for one year if the Governor signed it. If the Governor did not approve it, even a 90 percent vote by the legislature could not override the Governor. The two-thirds override would not be operative under the proposed amendment. Therefore, despite an overwhelming legislative intent there would in effect be a gubernatorial fiat.

Mr. Richey stated that enrollment growth, tuition and the mix between resident and non-resident students would have to be very carefully controlled because of the ceiling. The other states that have a ceiling have devised avoidance measures for getting around the ceilings; therefore, the ceilings that are passed are really not ceilings if a way around them can be devised.

Mr. Richey elaborated on the potential effect on employment relations because under a very tight ceiling there would be a strong push to have some kind of legal standing to enforce a pay policy. In the early-1990s an arbitrator, regardless of the state's financial condition, dictated a certain level of salary increase. The Regent institutions have the largest percentage of non-contract employees in the whole of state government and, in fact, the whole of education. Regent employees have strong commitments to the institutions and strong confidence in the institutions. The Board would have a very major problem in maintaining that commitment under the proposed legislation.

When there are constricted funds, as was the case in the 1980s and early-1990s, Mr. Richey said the first things to go are building maintenance, equipment and technology. The Regents currently have a \$30 million technology program laid before the General Assembly. There is no way anything like that could be accomplished under the proposed legislation. In fact, there could be a major reduction.

Mr. Richey stated that there has been mentioned that a backlash against the Regents could occur if they continue their efforts to get the proposed amendment changed. That possibility cannot be discounted, although he said it is not a great probability. A number of the heavy supporters for this measure are also some of the strongest supporters of the Regent institutions. Those individuals would undoubtedly continue their support of the institutions as would the leadership in the General Assembly. Any negative effect of the Board's opposition to the legislation, even under the worst of circumstances, would be transient and short term. The duration of a constitutional amendment and its negative impact would be forever. The only way to remove the amendment in the future would be to have an amendment to remove the amendment.

Mr. Richey concluded his remarks by recommending that the Board continue its program adopted last month to try to get the taxpayer's rights amendment changed to where it does not contain some of the very negative aspects for the Regent institutions. Some progress has been made in that regard. He would like to continue that effort within the legislature and with the people who are supporting the amendment to try to attain further improvements over the next few weeks.

Regent Lande commended Mr. Richey for a good job of understanding the complex legislation and analyzing how it would effect the Regents, and getting the parts changed that he was able to with Mr. Stanley. He questioned whether over the years the Regents have taken an official position on general tax policies.

Mr. Richey responded that the Regents had not taken a position on general tax policies. The difference with this legislation is that it is an expenditure limit.

Regent Lande said it was his view that the taxpayers rights' amendment is a general tax policy issue for a variety of reasons. There is now an effective practical limit and the Regents do compete with other groups for money each legislative session. It was his view that to take a position on a tax policy bill as a whole is unwise. The Regents will have encouraged a major lobbying force to get involved in something they have never before done.

Mr. Richey responded that the proposal before the Board was an issue it has not faced in past years. It was a constitutional issue. The issue has been before the General Assembly from time to time. The Regents assessed its probability of passage and

recognized that it did not need any effort from the Board because it was not serious enough a proposal even though it may have passed one house. He said the fact that it is a constitutional spending limit that changes the whole budget environment in terms of the competitive factors is the difference at this time.

Regent Fisher commented that this was an important issue for the state, the Board and the institutions. He said he would not like to see the Board of Regents get involved in the legislative process and start taking sides on issues. The Board has good rapport with the Governor and the legislature. The issue was not whether the Board favored the TRA but rather whether the Board should be involved to the extent it is involved. He felt it was not incumbent on the Regents to be involved in this debate. They might win the battle but they could lose the war. He said he highly recommend that Mr. Richey continue on the course he has been in working through some of the issues. However, he did not want the Regents to be up front on this issue and jeopardize their relationship with elected officials. The Regents will always be in competition for funds. They have done a good job competing for limited funds. The Board of Regents must continue to do a good job of lobbying for funds. He said it was not a matter of whether they favor or oppose the amendment. He did not want the Board to get involved in a political debate.

Regent Arenson stated that one has to struggle with one's own conscience when it comes to issues like this. For those who serve on the Board of Regents it is very difficult to ignore what the effects of such a constitutional amendment would be on the institutions. He said he was not opposed to rational control of government spending and he supported tax reductions; however, he did not believe those were the issues. The issue was whether the Board in good conscience can take a neutral position on an amendment that could have the effect that Mr. Richey had described. In a sense it comes down to a question of what is the vision the individual members of the Board of Regents have for these institutions, and whether that vision can come to be with the proposed amendment. His view was that it cannot and that it would cause a total restructuring. He said the fundamental question was whether the people of the state of Iowa are willing to continue to support the Regent institutions as they have supported them in the past -- to support the quality, to support the innovation, to support the technology, and to provide funding needed to come into the 21st century.

Regent Arenson said he could not take a neutral position when he has been presented with the effects of the amendment. In his view the proposed constitutional amendment would be damaging to the Regent institutions. He referred to the motion the Board passed last month and said he assumed that was the Board's current position. He said Dr. Kelly maybe said it best last month when he said the Regents should let the people of the state of Iowa know where they stand; that they should not be wishy washy. The problem goes beyond the items that were carved out.

MOTION: Regent Lande moved that the Board of Regents position be neutral on the passage of the constitutional amendment if the proposed constitutional amendment contains all of the accommodations negotiated by Mr. Richey in his attempts to improve the legislation. Regent Fisher seconded the motion.

Regent Arenson asked if the motion referred to the prior amendments that Mr. Richey may have achieved or whether it included those that may be offered at a later date. Regent Lande responded that the motion referred to the accommodations that Mr. Richey has, in effect, negotiated as part of the legislative process through the major sponsor of the bill; those items Mr. Richey referred to as a "carve out". He said he would not take on the general proposition of what should be measured in a ceiling because it was no different than if the Board opposed an increase in sales tax or other general tax policy.

Regent Arenson asked Mr. Richey if everything he discussed as adversely impacting the institutions were items that would still impact the institutions if the Board accepted the carve out. Mr. Richey responded affirmatively.

Regent Lande said it was his understanding that the offer to Mr. Richey was to accept all of his suggestions to eliminate all the Regents' objections save the one formula issue. Mr. Richey said that was correct in terms of the allowable growth issue.

Regent Lande asked for Mr. Richey's understanding of what would happen with regard to the legislation. Would the Regents still get all of those changes?

Mr. Richey said he did not know whether the Regents would get the changes in terms of the total carve out but they would not get any adjustment whatever in terms of the allowable growth or the newly-covered programs within a statewide ceiling. He had not gotten to those issues in his discussions with Mr. Stanley. He discussed the carve out for all receipts of the Regent institutions except state appropriations. The real issue was the lack of flexibility to adjust for economic activity in the expenditure formula and the revenue formula.

Regent Lande said it was his understanding that the most directly adversely impacting pieces of the legislation would be modified as the Board requested if the Board stood neutral. There was no guarantee of anything if they do not in terms of that group's willingness to change its proposal in any way.

Mr. Richey said it was his estimate that the carve out would occur, with or without the Regents' agreement, with the revised proposal of Mr. Stanley.

Regent Fisher stated that education has been a top priority for the people of Iowa. The state of Iowa is third in the country in its support of higher education. He has confidence in the people of the state and the legislature that education will get its fair share because the people of Iowa will demand it.

President Newlin stated that appropriating funds ought to be left up to the legislature and the Governor to do on an annual basis and not put it into a constitutional amendment. They were elected for that purpose. The taxpayers rights' amendment is a road map to mediocrity in our universities and our extension service.

Regent Fisher noted that the legislators and Governor will still have to make priorities. They will still have to allocate funds. If they want to allocate more to education than they do other areas they have the liberty to do that.

VOTE ON THE MOTION: The motion failed with Regents Ahrens, Arenson, Kelly, Kennedy, Newlin and Smith voting "no".

MOTION: Regent Kelly moved to reaffirm the motion passed by the Board last month, as follows: Adopt a resolution that the Board of Regents does not support the joint resolution in its current form because it would have an adverse impact on the five Regent institutions, and direct that the Board Office actively work to ensure that appropriate amendments are enacted to eliminate some of the substantial problems. Regent Smith seconded the motion. The motion carried with Regents Fisher and Lande voting "no".

The Board turned to consideration of the rest of the report on the legislative session.

Regent Appropriations Bills

HF 2533 - This bill makes appropriations to state education agencies which include the Board of Regents, Department of Education, College Student Aid Commission, and Department of Cultural Affairs. The bill includes Regent appropriations of \$638.4 million, which represents an increase of \$650,000 over the Governor's recommendations.

Sponsor: Committee on Appropriations
Current Status: Placed on Appropriations Calendar
3/6/98
Regent Position: **SUPPORT**

HSB 695 - This bill makes appropriations for compensation and benefits for state public officials and employees. The amount of \$44.1 million, or so much as may be necessary, is to fully fund contract pay adjustments and a 3 percent pay increase for all noncontract state employees. The bill includes employees of the Board of Regents.

Sponsor: Proposed Governor's Appropriations
Bill
Current Status: Referred to Appropriations
Subcommittee, Gipp, Sukup and Brand
Regent Position: **SUPPORT**

SF 2296 - This bill makes appropriations for FY 1999 to the Department of Economic Development, Department of Workforce Development, Public Employment Relations Board, and Regent institutions. The Regent appropriations include Advanced Drug Development and Oakdale Research Park/Innovation Center at the University of Iowa; Institute for Physical Research and Technology (IPRT), Small Business Development Center and Research Park/Iowa State Innovation System at Iowa State University; and Metal Casting and Institute of Decision Making at the University of Northern Iowa. The appropriation amounts for these Regent programs are the same as recommended by the Governor. Funding is provided at the current level through the Department of

Economic Development for the Ag-Based Industrial Lubricants Program at the University of Northern Iowa.

Sponsor: Committee on Appropriations
Current Status: Committee Report Approved 2/23/98;
Amendment S. 5102 Filed 3/2/98
Regent Position: **SUPPORT**

SF 2295 - This bill makes appropriations to agriculture and natural resources. This bill includes four appropriations for Iowa State University. An appropriation of \$200,000 to the Department of Agriculture to be allocated to Iowa State University for training commercial pesticide applicators is the same as FY 1998. An appropriation of \$50,000 from the Agriculture Management Account of the Groundwater Protection Fund to Iowa State University to support extension in providing a program to assist counties in testing private wells and waters of the state is the same as FY 1998.

A new appropriation of \$300,000 to the Water Quality Protection Fund is included in the bill to be allocated to Iowa State University for conducting studies regarding groundwater and surface water contamination in the state. A new appropriation of \$50,000 from the state general fund is made to Iowa State University to support research to manage or eradicate porcine reproductive and respiratory syndrome. As a condition of the latter appropriation, each dollar from the appropriation expended must be matched by one dollar contributed from a nonstate source.

Sponsor: Committee on Appropriations
Current Status: Passed Senate 3/4/98, Referred to
House Appropriations Committee
Regent Position: **SUPPORT**

SF 2381 - This bill provides capital appropriations. The bill appropriates \$335,000 from the infrastructure fund in FY 1999 for capital projects at the Iowa School for the Deaf and the Iowa Braille and Sight Saving School. This is the same amount as requested by the Board of Regents and recommended by the Governor.

The bill provides for development of a uniform system for evaluating and rating vertical infrastructure needs and proposed projects of each state entity including the Board of Regents. This section, which was vetoed by Governor Branstad last session, would infringe on the governance authority of the Board.

Sponsor: Committee on Appropriations
Current Status: Committee Report Approved 3/2/98,
Amendments filed 3/10/98
Regent Position: SUPPORT APPROPRIATIONS
OPPOSE UNIFORM SYSTEM

HSB 582 - This bill provides technology appropriations. The bill includes FY 1999 appropriations to the Iowa Telecommunications and Technology Commission of \$12.8 million for debt service and \$3.9 million for subsidization of video rates for authorized users. The bill establishes the reversion technology initiative account and allocates priorities for FY 1999 totaling \$30 million. The \$10.1 million for the first year of the Regents technology initiative is listed as the last priority.

Sponsor: Committee on Appropriations
Current Status: Placed on Appropriations Calendar
Regent Position: MONITOR

Other Bills

HF 667 - This bill makes changes to the Iowa Administrative Procedures Act, requires agencies to adopt a code of administrative judicial conduct, requires that all adoption of rules include a preamble explaining the reasons for the rule, requires regulatory analysis for each proposed rule if requested in writing, and expands requirements regarding declaratory rulings by agencies. The bill outlines that the administrative rules committee shall review existing rules to determine if there are adverse or beneficial effects from these rules, giving a high priority to rules referred by small business.

Sponsor: Committee on Judiciary
Current Status: Passed House 3/10/98, Referred to
Senate Judiciary Committee
Regent Position: **UNDER REVIEW**

HF 2026 - This bill requires the State Board of Education to adopt rules requiring higher education institutions with practitioner preparation programs to demonstrate that

students who graduate from those programs have successfully completed preparation for recognizing, understanding, and ameliorating at-risk behavior.

Sponsor: Thomson

Current Status: Committee Report Recommended
Amendment H. 8068, Passage
2/18/98, Amendment H. 8123 Filed
2/26/98

Regent Position: **MONITOR**

HF 2119 - This bill provides for the establishment of an Iowa educational savings plan trust with the Treasurer of State as trustee. The purpose of the trust is to provide a means whereby participants may invest money in a public trust for future application to the payment of the higher education costs of the participant's designated beneficiary or beneficiaries. The bill provides that amounts of up to \$2,000 annually may be contributed to the trust on behalf of each designated beneficiary and shall be considered a qualified state tuition program exempt from federal income taxation pursuant to section 529 of the Internal Revenue Code.

Sponsor: Ways and Means Committee

Current Status: Passed House 2/5/98/ Senate
Committee Report Recommended
Passage 2/19/98

Regent Position: **MONITOR**

HF 2204/SF 2169 - This bill provides for the designation of a statewide poison control center by the Director of Public Health as directed by the General Assembly, which shall meet all requirements for a certification as a poison center, and appropriates \$400,000 for the center. The bill provides that the poison center cannot subcontract with a poison control center outside the state for the services.

UIHC currently provides poison center services to lowans, under contract with a certified poison center in Minnesota, which was determined to be the highest quality and most cost-effective means of providing the services to lowans.

Sponsor: H - Warnstadt and Whitead
 S - Hansen

Current Status: H - Referred to Appropriations
 Subcommittee, Millage, Sukup and
 Warnstadt
 S – Referred to Appropriations
 Committee 3/10/98

Regent Position: **OPPOSE**

HF 2395 - This bill provides supplemental appropriations for FY 1998. The bill includes \$720,000 from the state general fund to the Department of Education as a supplement for the subsidization of video rates.

Sponsor: Committee on Appropriations

Current Status: Passed House 3/2/98; Referred to
 Senate Appropriations Committee

Regent Position: SUPPORT

HF 2458 - This bill appropriates \$9 million annually, beginning in FY 1999, to the Department of Education for developmentally appropriate early childhood education practices and programs. The annual distribution of funds to the school districts is based on enrollments, with a \$7,500 minimum provided to each district. The bill includes the Price Lab School at the University of Northern Iowa, Iowa School for the Deaf, and Iowa Braille and Sight Saving School.

Sponsor: Committee on Education

Current Status: Referred to Appropriations
Subcommittee, Brunkhorst, Brand and
Jacobs

Regent Position: **MONITOR**

HF 2474 - This bill provides that each government agency must determine if, and the extent to which, it will send and receive electronic records and electronic signatures to and from other persons. The bill provides that the Commissioner of Insurance, in consultation with the Attorney General's office and the Information Technology Services of the Department of General Services, shall adopt rules setting forth standards, procedures, and policies for the use of electronic records and electronic signatures by government agencies at all levels of government in the state. The bill would impact the Regent institutions if participation is requested.

Sponsor: Committee on Education

Current Status: Placed on Calendar 2/26/98, Fiscal
Note 3/6/98, Amendment filed 3/10/98

Regent Position: **MONITOR**

HF 2501 - This bill establishes national board certification awards and a beginning teacher induction program and appropriates funding for them. This bill changes the process for termination of a teacher's contract, moves up the date by which a teacher is notified of termination, and requires written notices of recommendation of termination to be signed by the superintendent and the presiding officer of the board. It allows a teacher receiving termination notice to request a private hearing with an adjudicator, instead of the board, making the adjudicator's decision regarding termination final and binding. The section on teacher termination would infringe on the governance authority of the Board of Regents.

Sponsor: Committee on Education

Current Status: Referred to Appropriations Subcommittee, Brunkhorst, Jacobs and Wise, Amendments filed 3/10/98

Regent Position: **OPPOSE TEACHER TERMINATION SECTION**

HF 2511 - This bill (successor to HSB 575) amends provisions of Iowa Code Section 455D.11E – Use by Regents Institutions of Waste Tires to Produce Tire-Derived Fuels and Other Beneficial Uses. Amendments proposed by the Regents to the study bill were adopted by the Environmental Protection Subcommittee. Under the bill, moneys awarded for the use of tire-derived fuel would cover all fuel, operations and maintenance costs associated with the use of the fuel. The bill would provide for reimbursement of costs associated with mandated air permits, regulatory fees, and emission or fuel testing required to expand the institution's use of tire-derived fuel. The bill appropriates the sum of \$200,000 for FY 1999 to Iowa State University for equipment and retrofitting the heating plant to burn tire-derived fuel. The appropriation is from moneys used to fund alternatives to landfills.

Sponsor: Committee on Environmental Protection

Current Status: Placed on Calendar 3/2/98

Regent Position: **SUPPORT**

HF 2517 - This bill establishes the Healthy and Well Kids in Iowa (HAWK-I) program to provide health care coverage for children who are eligible under Title XXI of the federal Social Security Act. The bill establishes a program governing board, defines participating insurers, describes the benefit packages, and provides for cost sharing by certain participants. The bill provides for an administrative contractor and outlines the duties, which include monitoring and assessing medical care provided as well as complaints and grievances.

Sponsor: Commerce and Regulation

Current Status: Placed on Calendar 3/3/98,
Amendments filed 3/10/98

Regent Position: **MONITOR**

HF 2524 - This bill relates to electronic access to government records and establishes the lowAccess Advisory Council to develop the process for electronic access, establish priorities, monitor budgets, and review technology and financial audits. The Division of Information Technology at General Services shall collect all moneys paid for electronic access, serve as agent to collect moneys owed to participating governments, transfer moneys, and retain 20 percent of access transaction fees. This bill would centralize all electronic access to government records through one central point and could create potential data and collection problems for the Regent institutions.

Sponsor: Committee on Commerce and
Regulation

Current Status: Referred to Appropriations Committee

Regent Position: **MONITOR**

HSB 514 - This study bill provides that interest from general obligation bonds or notes issued by a school district located in Iowa to be used for infrastructure projects is to be exempt from state individual and corporate income taxes. Currently, these bonds are exempt only from federal income taxes. The Board of Regents and a limited number of state agencies are authorized to issue bonds, which are exempt from both state and federal income taxes.

This bill would greatly expand the number of double tax exempt bonds in the Iowa market and would be of limited advantage to local schools. The volume of total bonds and the amount of bonds, which would need to be placed outside of Iowa where the double tax exemption would have no effect, would significantly reduce the interest rate advantage of all Iowa double tax exempt bonds, including Regents bonds.

Sponsor: Proposed Governor's Bill
Current Status: Referred to Ways and Means
Subcommittee, Rants, Jenkins, Shultz
Regent Position: OPPOSE

SF 2366 - This bill relates to practitioners licensed by the State Board of Educational Examiners and school districts. The bill appropriates funds to the University of Northern Iowa for a teacher internship pilot program of \$200,000 for FY 1999, \$575,000 for FY 2000 and \$575,000 for FY 2001; appropriates not less than \$10,000 per school for an early education improvement program for K-grade 3, including the Iowa Braille and Sight Saving School, the Iowa School for the Deaf, and Price Lab; and allows Iowa Braille and Sight Saving School, Iowa School for the Deaf, and Price Lab to participate in the practitioner recognition program and receive up to \$100,000 each for participation.

Sponsor: Committee on Appropriations
Current Status: Passed Senate 3/2/98, Referred to
House Education Subcommittee,
Gries, Brunkhorst, Wise
Regent Position: **MONITOR**

SF 2395 - This bill requires the Iowa Telecommunications and Technology Commission (ITTC) to adopt rules restricting remote dial-up access to the ICN and the Internet through the ICN. The bill establishes a telecommunications advisory group from private communications industry to advise the ITTC regarding requests for continuing remote dial-up access. Remote access to the ICN and the Internet is an essential resource for instruction and higher education.

Sponsor: Committee on Commerce

Current Status: Committee Report Approved 3/2/98

Regent Position: **OPPOSE**

ACTION: President Newlin stated the Board received information on the 1998 legislative session, by general consent.

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

Regent Arenson stated that he had served as acting chair of the Banking Committee at its meeting that morning. The Banking Committee members heard presentations by representatives from Invesco, Walter Scott and Partners, Ltd., and Seneca Capital Management, the Board's endowment fund managers. The committee received recommendations from Wilshire Associates, the Board's investment advisor, regarding the fund managers. It also received internal audit reports and a status report of internal audit follow up.

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

(b) Preliminary Resolution for the Sale of Dormitory Revenue Bonds, Series ISU 1998 - Maple Hall Renovation and Flood Mitigation. 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 \$15,750,000 Dormitory Revenue Bonds, Series I.S.U. 1998.

The bonds would be sold to provide exterior repairs and renovate the Maple Hall Residence facility and to provide flood mitigation for the Maple-Willow-Larch and Commons Facilities at Iowa State University. The bonds will be issued for a period of 20 years, with debt service of approximately \$1.25 million annually to be paid from net

rents, profits and income from the operation of the residence system. The university residence systems are self-supporting operations and receive no state appropriations.

A room and board rate increase of 7.5 percent was requested for FY 1999. Iowa State University presented a proposed financing plan for the Maple Hall Renovation and Flood Mitigation project to the Banking Committee in November 1997. The plan, which was based upon room and board rate increases of 4 percent for FY 2000 and thereafter, included the sale of revenue bonds to finance the project. An April 1998 sale for the bond issue was included on the proposed bond issuance schedule presented to the Banking Committee in December 1997.

The Board approved a budget of \$13,900,000 for the Maple Hall Renovation and Flood Mitigation project in November 1997. At the February 1998 meeting the program statement and schematic design for the project were approved.

MOTION: Regent Arenson moved to adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$15,750,000 Dormitory Revenue Bonds, Series I.S.U. 1998. Regent Kennedy seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arenson, Fisher, Kelly, Kennedy, Lande, Newlin, Smith.
NAY: None.
ABSENT: Pellett.

MOTION CARRIED.

Regent Kennedy thanked Regent Arenson for chairing the Banking Committee meeting on her behalf. She said she appreciated being able to attend the Banking Committee meeting by telephone in order to hear the presentations of the endowment fund managers and the investment advisor.

RESIDENCE SYSTEMS – ANNUAL GOVERNANCE REPORTS, TEN-YEAR PLANS, PRELIMINARY FY 1999 BUDGETS, AND PROPOSED 1998-99 RESIDENCE RATES.

The Board Office recommended the Board (1) receive the report; (2) recommend that the institutions intensify their efforts in long-term planning for significant renovations/capital replacement of aging facilities; and (3) refer to the individual university residence system FY 1997 annual reports, ten-year plans for FY 1999-2008, proposed rate increases for academic year 1998-99, and preliminary budgets for FY 1999.

The residence systems reports are closely interrelated. Both the annual report and the ten-year plan provide necessary background to evaluate the rate proposals for the coming year. The preliminary budgets are based upon the proposed rates.

The Board gives preliminary consideration of the residence system rates in March with final approval in April. The residence system budgets are given preliminary consideration in March, May, and June before final approval in July.

The university residence systems are in sound financial condition with adequate annual net revenues to maintain the current facilities totaling over 6.6 million gross square feet.

During FY 1997, the residence systems housed 19,927 students, which represents 30 percent of Regent total student enrollment of 66,363.

Gross revenue for FY 1997 was \$77 million and total operating expenditures were \$62.2 million.

The universities proposed rate increases for 1998-99 for a double occupancy room with 20 meals per week of 4.3 percent to \$3,988 for the University of Iowa, 7.5 percent to \$3,922 for Iowa State University, and 5.2 percent to \$3,624 for the University of Northern Iowa. These increases compare to average increases over the last ten years ending fall 1997 of 4.9 percent for the University of Iowa, 5.0 percent for Iowa State University, and 5.5 percent for the University of Northern Iowa. Current room and board rates at the University of Iowa are lowest in the Big Ten, Iowa State University is second lowest in the Big Twelve, and the University of Northern Iowa is lowest in the Missouri Valley.

Preliminary budgets for FY 1999 show gross revenues of \$85.2 million, expenditures for operations of \$69.3 million, and net revenues after debt service and mandatory transfers of \$9.5 million.

Increases in the cost of operations in the proposed budgets for FY 1999 over the actual FY 1997 expenditures include: University of Iowa at 4.4 percent, Iowa State University at 15.9 percent, and University of Northern Iowa at 12.1 percent.

Iowa State University's increase is due to costs associated with three new convenience stores and a large summer conference as well as increased occupancy and student wages. The University of Northern Iowa increases are primarily related to increased salaries and wages due to an increase in the number of staff.

In FY 1999, voluntary reserves, which can be used for operations and maintenance as well as repairs, renovations, and capital improvements, are estimated to be \$9.0 million

at the University of Iowa, \$5.9 million at Iowa State University, and \$2.0 million at the University of Northern Iowa.

As of June 30, 1997, the outstanding principal of university dormitory bonds was: University of Iowa of \$13.6 million, Iowa State University of \$11.9 million, and University of Northern Iowa of \$13.1 million.

With 83.6 percent of the debt service on the residence systems outstanding bonds being paid within the next ten years, greater emphasis needs to be placed on long-term planning for significant renovations/capital replacement of aging facilities.

ACTION: President Newlin stated the Board, by general consent, (1) received the report and (2) recommended that the institutions intensify their efforts in long-term planning for significant renovations/capital replacement of aging facilities.

(a) University of Iowa. The Board Office recommended the Board (1) receive the FY 1997 University of Iowa residence system annual report; (2) approve the University of Iowa residence system ten-year plan for FY 1999 through FY 2008; (3) give preliminary consideration to 1998-1999 recommended rates for double occupancy residence halls and 20 meals per week board plan of \$3,988 and apartment rate increases averaging 3 percent; and (4) give consideration to the University of Iowa FY 1999 preliminary residence system budget, which is subject to further review and action when the Board approves the final FY 1999 institutional budgets.

During FY 1997, the University of Iowa residence system housed 6,300 students, which represents 22.6 percent of total university student enrollment of 27,921. Reported gross revenue for FY 1997 was \$26.7 million and operating expenditures totaled \$19.9 million. Plant improvement, repair, and maintenance expenditures totaled \$5.3 million, representing 1.5 percent of the total building replacement value of \$349.6 million. Voluntary reserves in FY 1997 increased to \$10.8 million from \$10.6 million in FY 1996 and represent 40.6 percent of FY 1997 gross revenue.

The University of Iowa ten-year plan includes \$21.6 million in capital projects to be financed from new revenue bond financing. Projects include system-wide fire safety upgrades, west campus food service consolidation, and telecommunications improvements. The ten-year plan includes future rate increases of 1 percent each year FY 1999 through FY 2005 to fund the on-going capital renewal program. As of June 30, 1997, outstanding bond obligations totaled \$13.6 million, which are anticipated to be retired as scheduled within ten years.

University of Iowa officials proposed increases for 1998-99 rates for a double occupancy room of 4.7 percent and 20 meal board plan of 3.8 percent for a combined room and board increase of 4.3 percent. The average apartment rate increase is 3.0 percent. The proposed increases in these rates form the basis for rate increases in other housing and dining contract choices.

The University of Iowa residence system preliminary budget for FY 1999 includes estimated gross revenues of \$26.8 million, expenditures for operations of \$20.7 million, and net revenues after debt service and mandatory transfers of \$3.4 million (12.5 percent of gross revenues). Voluntary reserves in FY 1999 are estimated to be \$9.0 million, which represents 33.6 percent of gross revenues. University of Iowa anticipates increased spending of reserves for capital improvements and repairs in FY 1998 and FY 1999.

Vice President Jones stated that several years ago residence system officials began to look at the efficiency of the system. The dining system was combined on the east side of the campus. Residence system officials are in the process of working on the dining system on the west side of the campus. A campus-wide master plan for food services is being completed. He noted that no one had been terminated as a result of the dining service combinations. New ways of offering food options are being developed.

Maggie Van Oel, Director of the University of Iowa Residence System, discussed the opportunity to revamp food services on the west campus. A food service consultant has been hired. She stated that Hillcrest residence hall overlooks the Iowa River. Residence system officials are looking at opening up two levels of the dining area and perhaps offering a different style of dining on each floor. She expressed the excitement about being able to present students with possibly the best food service in the country.

MOTION:

Regent Fisher moved to (1) receive the FY 1997 University of Iowa residence system annual report; (2) approve the University of Iowa residence system ten-year plan for FY 1999 through FY 2008; (3) give preliminary consideration to 1998-1999 recommended rates for double occupancy residence halls and 20 meals per week board plan of \$3,988 and apartment rate increases averaging 3 percent; and (4) give consideration to the University of Iowa FY 1999 preliminary residence system budget, which is subject to further review and action when the Board approves the final FY 1999 institutional budgets. Regent Ahrens

seconded the motion. MOTION CARRIED
UNANIMOUSLY.

(b) Iowa State University. The Board Office recommended the Board (1) receive the FY 1997 Iowa State University residence system annual report; (2) approve the Iowa State University residence system ten-year plan for FY 1999 through FY 2008; (3) give preliminary consideration to 1998-1999 recommended rates for double occupancy residence halls and 20 meals per week board plan of \$3,922 and apartment rate increases averaging 6.6 percent; and (4) give consideration to the Iowa State University FY 1999 preliminary residence system budget, which is subject to further review and action when the Board approves the final FY 1999 institutional budgets.

During FY 1997, the Iowa State University residence system housed 8,230 students, which represents 33.1 percent of the university's total student enrollment of 24,899. Reported gross revenue for FY 1997 was \$32.6 million and total operating expenditures were \$27.8 million. Plant improvement, repair, and maintenance expenditures totaled \$7.2 million, representing 1.8 percent of the total building replacement value of \$402.8 million. Voluntary reserves in FY 1997 were \$4.3 million, which represents 13.2 percent of gross revenue. Outstanding bond obligations as of June 30, 1997, totaled \$11.9 million, of which \$10.7 million is anticipated to be retired as scheduled within ten years.

Renovation of Maple Hall, which was approved by the Board of Regents in November 1997, will begin following the conclusion of the 1998 spring semester. A comprehensive master plan for the residence system, which will provide direction for future capital projects and focus capital expenditures more effectively, was initiated in February 1997 and is currently being completed.

Iowa State University officials proposed increases for 1998-99 rates for a double occupancy room of 11.0 percent and 20 meal board plan of 3.8 percent for a combined room and board increase of 7.5 percent. The average apartment rate increase is 6.6 percent. The proposed increases in these rates form the basis for rate increases in other housing and dining contract choices. The large proposed room and board rate increase, which compares to a ten-year average increase ending fall 1997 of 5.0 percent, is necessary to support deferred maintenance and system renovations. The Iowa State University residence system preliminary budget for FY 1999 estimates gross revenues of \$39.2 million, expenditures for operations of \$32.2 million, net revenues after debt service and mandatory transfers of \$5.0 million (12.9 percent of gross revenues). FY 1999 budgeted operating expenditures increased by 15.9 percent over FY 1997 actual expenditures due to costs associated with three new convenience stores, a large summer conference and increased occupancy, as well as increased student wages. Voluntary reserves in FY 1999 are estimated to be \$5.9 million, which represents 15.1 percent of gross revenues.

Randy Alexander, Director of Residence, Iowa State University, stated that university officials were recommending a somewhat larger increase than had been recommended in recent years. The purpose for the increase was to increase reserve levels.

Regent Fisher asked Mr. Richey if there was a benchmark for percentage of reserves. Mr. Richey responded that there was not a specific benchmark. The amount of reserves varies in terms of plans for the future and bonding. He believes that Iowa State University's reserve was too low. The Board will look at the reserve amount again next year and annually thereafter until it feels a sense of comfort with the reserve amount. He said Iowa State University's residence system is in a very favorable position. Its occupancy is growing. The university has always had a high percentage of upper division undergraduate students in the residence system. It has an innovative house system within the residence system which has been quite successful.

Regent Fisher asked if the residence system was at capacity. Director Alexander responded that the system was not currently at capacity. This coming year with Maple Hall being off line he expected the system to be near capacity.

Regent Fisher asked if the residence system would be able to accommodate all of the Maple Hall residents. Director Alexander responded affirmatively, noting that fewer double rooms as singles would be offered.

MOTION:

Regent Smith moved to (1) receive the FY 1997 Iowa State University residence system annual report; (2) approve the Iowa State University residence system ten-year plan for FY 1999 through FY 2008; (3) give preliminary consideration to 1998-1999 recommended rates for double occupancy residence halls and 20 meals per week board plan of \$3,922 and apartment rate increases averaging 6.6 percent; and (4) give consideration to the Iowa State University FY 1999 preliminary residence system budget, which is subject to further review and action when the Board approves the final FY 1999 institutional budgets. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) University of Northern Iowa. The Board Office recommended the Board (1) receive the FY 1997 University of Northern Iowa residence system annual report; (2) approve the University of Northern Iowa residence system ten-year plan for FY 1999 through FY

2008 with the understanding that a comprehensive long-term plan will be developed by March 1999 that reevaluates and reestimates facilities improvements and voluntary reserves; (3) give preliminary consideration to 1998-1999 recommended rates for double occupancy residence halls and 20 meals per week board plan of \$3,624 and apartment rate increases averaging 5.1 percent; and (4) give consideration to the University of Northern Iowa FY 1999 preliminary residence system budget, which is subject to further review and action when the Board approves the final FY 1999 institutional budgets, and request the university to reevaluate the budget in light of the anticipated low voluntary reserves at the end of FY 1999.

During FY 1997, the University of Northern Iowa residence system housed 4,999 students, which represents 38.6 percent of the university's total student enrollment of 12,957. Gross revenue for FY 1997 was \$17.7 million and total operating expenditures were \$14.6 million. Plant improvement, repair, and maintenance expenditures totaled \$2.2 million, representing 1 percent of the total building replacement value of \$217.6 million. Voluntary reserves totaled \$3.2 million in FY 1997, representing 14.4 percent of gross revenue.

University of Northern Iowa officials proposed increases for 1998-99 rates for a double occupancy room of 5.2 percent and 20 meal board plan of 5.3 percent for a combined room and board increase of 5.2 percent. The average apartment rate increase is 5.1 percent. Increases in these rates form the basis for rate increases in other housing and dining contract choices.

The University of Northern Iowa residence system preliminary budget for FY 1999 estimates gross revenues of \$19.2 million, expenditures for operations of \$16.4 million, net revenues after debt service and mandatory transfers of \$1.1 million, which represents 5.5 percent of gross revenues. Increases in the cost of operations of 12.1 percent over FY 1997 actual expenditures are primarily related to increased salaries and wages due to a greater number of staff.

The university would be better served by a more comprehensive ten-year plan for facilities improvements and voluntary reserves. The information contained in the ten-year plan reflects stagnant capital improvement and repair expenditures for the residence system facilities while voluntary reserve balances are expected to increase to \$6.5 million for FY 2008. However, the proposed FY 1999 budget estimates voluntary reserves at \$2.0 million (10.6 percent of FY 1999 gross revenues) compared to an average of 18.6 percent of gross revenues during the five-year period FY 1993 - FY 1997.

Robert Hartman, Director of Residence, University of Northern Iowa, stated that the University of Northern Iowa residence system was recently recognized as campus

residence system of the year by a student organization. He said the recognition was partially related to the house system on campus to assist students in transitioning to the campus. It was found to be a very important element in helping students to be successful. For the last three years university officials have been planning to wire all of the residence halls for data activity. The project will be completed this summer. He said the project will support the university's strategic plan and prepare students to use technology. He noted that residence system officials are involved in a food service master plan. He hoped next year to come before the Board with some ideas.

MOTION:

Regent Fisher moved to (1) receive the FY 1997 University of Northern Iowa residence system annual report; (2) approve the University of Northern Iowa residence system ten-year plan for FY 1999 through FY 2008 with the understanding that a comprehensive long-term plan will be developed by March 1999 that reevaluates and reestimates facilities improvements and voluntary reserves; (3) give preliminary consideration to 1998-1999 recommended rates for double occupancy residence halls and 20 meals per week board plan of \$3,624 and apartment rate increases averaging 5.1 percent; and (4) give consideration to the University of Northern Iowa FY 1999 preliminary residence system budget, which is subject to further review and action when the Board approves the final FY 1999 institutional budgets, and request the university to reevaluate the budget in light of the anticipated low voluntary reserves at the end of FY 1999. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

BOARD OFFICE PERSONNEL TRANSACTIONS. The Board Office reported no transactions in its Register of Personnel Transactions this month.

STUDENT APPEAL. The Board Office recommended the Board deny the appeal.

A student at the University of Iowa appealed a decision of the university and requested appeal to the Board of Regents. Board members received a packet of confidential materials pertaining to the appeal.

This request was reviewed by the Attorney General's Office. The Attorney General's Office recommended that the Board deny the appeal because the record indicates that the university's procedures were followed and adequate due process was afforded.

Regent Arenson stated that he wished to ask a couple of questions about the student appeal.

President Newlin stated that because the Board had no legal counsel present, the Board would have an executive session next month to allow an opportunity for Regent Arenson's questions to be answered.

ACTION: President Newlin stated the Board deferred consideration of the student appeal until next month's Board of Regents meeting.

APPROVAL OF ADMINISTRATIVE RULES – APPLICATION FEES. The Board Office recommended the Board, contingent on approval of the Administrative Rules Committee, approve the amendment to the Iowa Administrative Code regarding university application fees.

In January 1998 the Board gave preliminary approval to revise the administrative rules regarding university application fees. The University of Iowa's application fees would increase from \$20 to \$30 for domestic student applications. The domestic student application fees at Iowa State University and the University of Northern Iowa would remain at \$20. The international student application fees at all three Regent universities would increase from \$30 to \$50.

The application fees as established in Sections 681-1.1 and 681-1.2 of the Iowa Administrative Code are currently set at \$20 for domestic student applications and \$30 for international students. A Notice of Intended Action for the anticipated rule change was published on February 11, 1998, for a public comment period that lasted until March 4, 1998. No comments were received from the public. A public hearing on the

proposed rules was held in Des Moines on March 3, 1998. No persons came forward to voice concerns at the hearing.

The Administrative Rules Review Committee was scheduled to review this matter on March 9, 1998.

MOTION: Regent Smith moved, contingent on approval of the Administrative Rules Committee, to approve the amendment to the Iowa Administrative Code regarding university application fees. Regent Arenson seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF VENDORS WITH A POTENTIAL CONFLICT OF INTEREST. The Board Office recommended the Board approve the request from the Iowa School for the Deaf to add Pleasure of Music and Water Tech, Inc. to the list of approved vendors with a potential conflict of interest.

Iowa School for the Deaf officials requested approval to add Pleasure of Music and Water Tech, Inc., to the list of approved vendors with a potential conflict of interest. Iowa School for the Deaf officials wish to purchase entertainment services for school functions from Pleasure of Music and water treatment chemicals from Water Tech, Incorporated. Charles Grandick, who is employed at Iowa School for the Deaf as a Vocational Education Instructor, owns Pleasure of Music. Bruce E. Romey, whose wife is employed as a school assistant in the Elementary School and is a Water Tech, Inc., corporate officer, owns Water Tech, Incorporated.

Iowa School for the Deaf officials provided assurances that the employees will not be able to influence purchases from the respective vendors and that the institution has procedures in place to ensure adherence to the Board's conflict of interest policy.

ACTION: The request was approved, by consent.

STATUS REPORT ON BOARD OFFICE BUDGET. The Board Office recommended the Board receive the report.

The Board Office budget is in balance with estimated resources for fiscal year 1998, but reallocation of some of the line items will be necessary.

Due to the cost of interviews for the Associate Director of Academic Affairs the Board Office travel amount continues to run at a higher rate than projected.

Office supplies and printing are higher than expected. The cost of printing the strategic plan and higher rates because of equipment modernization at State Central Printing facilities are the primary reasons.

The equipment total has increased due to the purchase of a two-line fax machine. This purchase was necessary because of the increased frequency of repairs to the old machines.

ACTION: The report was received by consent.

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

April 14-15, 1998	Iowa School for the Deaf	Council Bluffs
May 20, 1998	Iowa Braille and Sight Saving School	Vinton
May 21, 1998	University of Northern Iowa	Cedar Falls
June 15-17, 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	West Des Moines Marriott Hotel	West Des Moines
January 20, 1999	Telephonic Conference Call	
February 17-18, 1999	University of Iowa	Iowa City
March 17-18, 1999	Iowa State University	Ames
April 21, 1999	Iowa Braille and Sight Saving School	Vinton
April 22, 1999	University of Northern Iowa	Cedar Falls
May 19-20, 1999	Iowa School for the Deaf	Council Bluffs
June 16-17, 1999	University of Iowa	Iowa City
July 14-15, 1999	Iowa State University	Ames
September 15-16, 1999	University of Northern Iowa	Cedar Falls
October 20-21, 1999	University of Iowa	Iowa City
November 17-18, 1999	Iowa State University	Ames
December 15-16, 1999	(To be determined)	Des Moines

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

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

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, March 18, 1998.

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

Register of Personnel Changes for January 1998.

ACTION: The personnel transactions were approved, by consent.

PROPOSAL TO ESTABLISH AN INDEPENDENT PH.D. DEGREE PROGRAM IN PHYSICAL THERAPY. The Board Office recommended the Board refer the request for an independent Ph.D. degree in Physical Therapy in the Department of Physical Therapy at the University of Iowa to the Board Office and the Interinstitutional Committee on Educational Coordination.

University of Iowa officials proposed to establish an independent Ph.D. degree in Physical Therapy in the Department of Physical Therapy. The university has offered a doctoral program in Physical Therapy as a subtrack of the Ph.D. in Exercise Science for a number of years. University officials sought to offer the Ph.D. in Physical Therapy as a standalone program.

If the program is approved by the Board it would be the only such program offered in Iowa. There are five universities in the U.S. that offer independent Ph.D. programs in Physical Therapy such as the program proposed by the University of Iowa. Six additional U.S. universities offer the Ph.D. in Physical Therapy through allied disciplines. There is a national shortage of doctorally prepared faculty to teach in Physical Therapy programs according to information from the American Physical Therapy Association (APTA). The APTA recommends that 60 percent of physical therapy faculty be doctorally prepared. Current information indicates that only 38.7 percent have doctoral degrees.

The development of the proposed program is currently goal #3 of the Physical Therapy Department's strategic plan.

ACTION: This matter was referred, by consent.

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

PROJECT DESCRIPTIONS AND BUDGETS

Hawkeye Softball Complex—Construct Stadium \$573,000
Source of Funds: Gifts to the Women's Athletic Department

Preliminary Budget

Construction	\$ 458,000
Design, Inspection and Administration	
Consultant	47,500
Design/Construction Services	21,500
Contingency	<u>46,000</u>
 TOTAL	 <u>\$ 573,000</u>

University officials requested approval of a project description and budget in the amount of \$573,000 to complete construction of a new stadium at the Hawkeye Softball Complex. The complex is located at Highway 6 and First Avenue in Coralville, Iowa.

The project will include construction of a new 4,100 gross square feet stadium structure to be built on the site of the old concession and support facility which will be demolished. The stadium will be configured to serve the existing bleachers at the complex which were installed in 1996. In addition, the project will include construction of a new 450 gross square feet press box, a new ticket booth and restroom facilities. The project will also include site preparation, grading, mechanical and electrical work, and landscaping and paving.

Christine Grant, Director of Women's Intercollegiate Athletics, made a presentation to the Board on this project. She reviewed the history of women's intercollegiate athletics, with the passage of Title IX in 1972. She stated that last year the University of Iowa announced the first ever capital campaign for women's sports. Over \$630,000 has been raised since June 1997 for the softball complex. She described some of the in-kind

contributions that have been given (lights, glass and installation [donated by a former student athlete], lockers both for home and visitors, engraving of bricks on brick walkway, and concrete and aggregate for the parking area and walkway). She was confident that the university would reach and surpass the fund-raising goal of \$750,000.

Director Grant discussed the success of the University of Iowa's softball team. In 1997 the team went undefeated in the Big 10. Coach Blevins and her staff have worked tirelessly on the fund-raising campaign.

Director Grant stated that construction on the project would begin May 20 with the entire project anticipated to be finished by August 25. She said the softball complex would be renovated to be one of the best facilities in the Big 10.

Director Grant concluded by stating that the fund-raising had been an effort of people with not a lot of money but with great heart. She thanked the University of Iowa Foundation for all of its help. There had also been great support from the university president and vice presidents.

President Newlin congratulated Director Grant on the fund-raising success and the softball team for its successes.

University Parking System—Hospital Parking Ramp No. 1 \$558,000

Facility Improvements

Source of Funds: University Parking System Improvement and
and Replacement Fund

Preliminary Budget

Construction	\$ 447,000
Design, Inspection and Administration	
Consultant	56,638
Design/Construction Services	10,362
Contingency	<u>44,000</u>
 TOTAL	 <u>\$ 558,000</u>

University officials requested approval of a project description and budget in the amount of \$558,000 to provide various improvements to Hospital Parking Ramp No. 1. The project will replace and upgrade the elevators, cashier booths, and graphics and signage system, and renovate the elevator lobbies.

The university has an ongoing maintenance program for its parking facilities to keep them in good repair and maximize their useful lives. Hospital Parking Ramp No. 1 was constructed in 1968 and most of the components to be upgraded as part of this project were installed when the ramp was constructed. The project will also provide improvements to the electrical system and lighting in and around the ramp as required to meet current building codes.

University Parking System—1999 Parking Ramp Preventive \$458,000
Maintenance

Source of Funds: University Parking System Improvement and
and Replacement Fund

Preliminary Budget

Construction	\$ 366,150
Design, Inspection and Administration	
Consultant	47,272
Design/Construction Services	7,728
Contingency	<u>36,850</u>
 TOTAL	 <u>\$ 458,000</u>

University officials requested approval of a project description and budget in the amount of \$458,000 to provide improvements to two parking facilities, the Iowa Memorial Union ramp and the North Campus ramp. The project will provide various maintenance and structural repairs to the facilities.

The improvements to the Memorial Union ramp will continue the upgrade of the parking structure begun last year. The current project includes structural repairs and a topping membrane for the level 7 deck. In addition, the exterior brick walls of the structure will be tuckpointed. The improvements to the North Campus Ramp will include the application of a waterproofing membrane to the decks on all levels and repairs to columns and other structural elements.

Medical Laboratories—Replace Windows—Phase I \$547,000
Source of Funds: Building Renewal and/or Income from Treasurer's
Temporary Investments

Preliminary Budget

Construction	\$ 469,000
Design, Inspection and Administration	
Architect/Engineer Services	27,800
Consultants	3,300
Contingency	<u>46,900</u>
 TOTAL	 <u>\$ 547,000</u>

University officials requested approval of a project description and budget in the amount of \$547,000 to replace approximately 225 windows in the Medical Laboratories.

The majority of the facility's 800 windows are the original windows installed when the building was constructed in 1927. The windows have deteriorated and are in need of replacement. Over the last few years the university has replaced approximately 130 windows in connection with various capital projects in the building. This project, which will replace 225 windows, is the first phase in a series of projects to replace the balance of the windows in the Medical Laboratories. The replacement of the remaining 450 windows will be phased over several years in accordance with available funding.

The current project will replace the windows in the north elevation, northeast wing and southeast wing of the building. The project will include replacement of the existing wood casement windows with double hung, insulated windows which will match the newer windows previously installed in the building. In addition, the project will include replacement of deteriorated interior wooden trim and reinstallation of window air conditioners.

Currier Residence Hall—Replace Roof \$340,000
Source of Funds: Dormitory Improvement Reserves

Preliminary Budget

Construction	\$ 279,700
Design, Inspection and Administration	
Design/Construction Services	28,800
Consultants	3,100
Contingency	<u>28,400</u>
 TOTAL	 <u>\$ 340,000</u>

University officials requested approval of a project description and budget in the amount of \$340,000 to replace 24,400 square feet of the roof of Currier Residence Hall. In addition, the project will provide various repairs to other sections of the building roof. The total area to be addressed consists of approximately 39,200 square feet and includes all but the dining hall addition of the building. The existing roof requires extensive maintenance and poses a threat to the facility due to water penetration.

The project will include removal and replacement of asphalt shingles, repair and coating of the existing built-up and metal roofing, abatement and replacement of transite siding, masonry repairs as needed, and installation of attic fans, drain inserts, and lining for the existing gutters.

Wendell Johnson Speech and Hearing Center—Replace Domestic \$333,000
Water Piping

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

Preliminary Budget

Construction	\$ 261,000
Design, Inspection and Administration	
Design/Construction Services	26,565
Consultants	19,435
Contingency	<u>26,000</u>
 TOTAL	 <u>\$ 333,000</u>

University officials requested approval of a project description and budget in the amount of \$333,000 to replace the domestic hot and cold water galvanized piping system in the

Wendell Johnson Speech and Hearing Center. The existing galvanized pipes have deteriorated to the extent that repairs are no longer feasible. The project will include the installation of copper piping and replacement of the ceilings and lighting fixtures in the main corridors of the building.

Oakdale Boulevard Extension October 1995 Budget \$430,000
Source of Funds: Institutional Roads Funds March 1998 Budget \$792,000

Project Budget

	Initial Budget <u>Oct. 1995</u>	Revised Budget <u>March 1998</u>
Construction	\$ 350,000	\$ 596,400
Design, Inspection and Administration	45,000	119,200
Utilities Relocation	0	76,400
Contingencies	<u>35,000</u>	<u>0</u>
 TOTAL	 <u>\$ 430,000</u>	 <u>\$ 792,000</u>

University officials requested approval of a revised project budget in the amount of \$792,000, an increase of \$362,000. The revised budget reflects various modifications in the project since approval of the initial project budget in October 1995. The original budget was based on a conceptual plan prepared by the City of Coralville prior to retaining professional engineering services.

The initial budget was based upon paving cost estimates per linear foot for the original scope of the roadway construction project. However, during project development the scope was refined to reflect the specific engineering requirements for the project. In addition to the scope refinements additional costs were incurred due to a substantial increase in the length of the university portion of the project resulting from the university's acceptance of a property gift at the northeast corner of the Oakdale campus. The gift of 25 acres of farm land from Charles and Kay Sodergren was approved by the Board in October 1993. Additional project costs also resulted from unanticipated utility conflicts which necessitated the relocation of a fiber optic cable and a high pressure gas line.

* * * * *

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

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

Hawkeye Softball Complex—Construct Stadium \$26,760
Shoemaker and Haaland Professional Engineers, Coralville, Iowa

University officials requested approval to enter into an agreement with Shoemaker and Haaland to provide design services for the project. The agreement will provide for the completion of construction documents and bidding and construction supervision services. The agreement provides for a fee not to exceed \$25,460, with reimbursables not to exceed \$1,300, for a total maximum fee of \$26,760.

University Parking System—Hospital Parking Ramp No. 1--
Facility Improvements \$56,638
Shive-Hattery, Iowa City, Iowa

University officials requested approval to enter into an agreement with Shive-Hattery to provide design services for the project. The agreement provides for a fee not to exceed \$54,138, with reimbursables not to exceed \$2,500, for a total maximum fee of \$56,638.

University Parking System—1999 Parking Ramp Preventive Maintenance \$47,172
Shive-Hattery, Iowa City, Iowa

University officials requested approval to enter into an agreement with Shive-Hattery to provide design services for the project. The agreement provides for a fee not to exceed \$44,672, with reimbursables not to exceed \$2,500, for a total maximum fee of \$47,172.

Health Sciences Campus—Raze Steindler Building \$61,000
Wehner Pattschull Pfiffner, Iowa City, Iowa

University officials requested approval to enter into an agreement with Wehner Pattschull and Pfiffner to provide full design services for the demolition of the Steindler Building. The agreement will be based on the demolition phasing plan for the project and will provide full services through construction documents and construction services. The agreement provides for a total fee not to exceed \$61,000, which includes \$1,000 for reimbursable expenses.

Hillcrest Residence Hall—Remodel Food Service
Rohrbach Carlson, Iowa City, Iowa

University officials requested approval of the selection of Rohrbach Carlson to provide design services for the project. The university received expressions of interest from 14 firms to provide design services for the project. The university Architectural Selection Committee, which included representatives from the Department of Residence Services, selected four firms for interviews. Based on these interviews university officials recommended the selection of Rohrbach Carlson and requests approval to proceed with the negotiation of an agreement with the firm. University officials will return to the Board for approval of the negotiated agreement.

University Hospitals and Clinics—Development of an Otolaryngology \$636,262
Head and Neck Surgery Institute
Hansen Lind Meyer, Iowa City, Iowa

University officials requested approval of the negotiated agreement which will provide a total maximum fee of \$636,262 which includes a fixed fee of \$563,062 with reimbursable expenses not to exceed \$73,200.

University Hospitals and Clinics—Expand Emergency Power \$34,832
Generation Capacity
ZBA, Inc., Iowa City, Iowa

University officials requested approval to enter into an agreement with ZBA, Inc., to provide design services for the project. The agreement provides for a fixed fee of \$31,528, with reimbursables not to exceed \$3,304, for a total maximum fee of \$34,832.

University of Iowa Hospitals and Clinics—Ambulatory Cardiovascular \$27,610
Procedures Unit Development and Cardiology Clinic Renovation
Durrant Architects, Dubuque, Iowa

University officials requested approval to enter into an agreement with Durrant Architects to provide design services for the project. The agreement provides for a maximum fee of \$23,610, or ten percent of the awarded construction contract (whichever is less), with reimbursable expenses not to exceed \$4,000 for a total maximum fee of \$27,610.

Amendments:

Kinnick Stadium Masonry Restoration—Phase 3 \$2,000
Shive-Hattery, Iowa City, Iowa

CONSTRUCTION CONTRACTS

Macbride Hall—Renovate Auditorium \$1,222,000
Award to: Unzeitig Construction Company, Cedar Rapids, Iowa
(3 bids received)

University Hospitals and Clinics—Cardiovascular MRI Unit Installation \$583,135
Award to: O. F. Paulson Construction Company, Cedar Rapids, Iowa
(2 bids received)

University Hospitals and Clinics—Information Systems Staff Office
Development \$222,167
Award to: McComas-Lacina Construction Company, Iowa City, Iowa
(5 bids received)

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Westlawn Renovation and Expansion—Student Health Change Order #1 (\$288,606)
Service Relocation and College of Medicine Programs
Mid-America Construction Company of Iowa, Iowa City, Iowa

University officials requested approval of Change Order #1 in the deduct amount of \$288,606 which will delete the installation of heating, ventilating and air conditioning controls from the construction contract. These services will be provided by Johnson Controls under an existing agreement with the university. The change order will reduce the amount of the construction contract to \$4,788,594.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Levitt Center for University Advancement—Utilities Extension
Maxwell Construction, Iowa City, Iowa

English-Philosophy Building—Correct Fire and Environmental Safety Deficiencies—
Asbestos Abatement
Pro Environmental Abatement, Des Moines, Iowa

GENERAL
March 18, 1998

Burge Hall—East Side Landscaping
McComas-Lacina Construction Company, Iowa City, Iowa

FINAL REPORTS

<u>University Hospitals and Clinics—Development of Overhead Patient, Visitor, and Staff Walkways Linking John Pappajohn Pavilion to the Eye Institute and Other Clinical Services</u>	<u>\$3,548,827.34</u>
<u>University Hospitals and Clinics—Material Distribution Support Facilities Development</u>	<u>\$784,304.69</u>
<u>University Hospitals and Clinics—Replace General Hospital and Boyd Tower Roofs</u>	<u>\$679,967.86</u>
<u>University Hospitals and Clinics—Southwing and Radiation Oncology Chiller Replacement</u>	<u>\$633,478.28</u>
<u>University Hospitals and Clinics—General Hospital Elevator Replacement—Phase I</u>	<u>\$578,517.10</u>
<u>University Hospitals and Clinics—Pomerantz Family Pavilion Main Entrance Drop-Off Drive</u>	<u>\$384,590.55</u>
<u>University Hospitals and Clinics—Dietary Dock Building Life Safety Code Renovation</u>	<u>\$336,476.24</u>

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

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

University officials requested approval to enter into a new lease agreement as lessor with Goldfinch Diagnostics, Inc., for its use of 212 square feet of space in the Eckstein Medical Research Building at the rate of \$176.67 per month (\$10 per square foot, \$2,120.04 per year) for a one-year period.

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

MOTION CARRIED.

RESIDENCE SYSTEM FUND TRANSFER FOR FY 1998. The Board Office recommended the Board approve the transfer of \$4,489,000 from the Dormitory Surplus Fund to the Improvement Fund.

University of Iowa officials requested the transfer of \$4,489,000 from the Dormitory Surplus Fund to the Improvement Fund. The funds will be utilized for improvements to the dormitory facilities.

MOTION: Regent Fisher moved to approve the transfer of \$4,489,000 from the Dormitory Surplus Fund to the Improvement Fund. 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 Iowa. There were none.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, March 18, 1998.

President Jischke introduced Dr. Walter Gmelch, designated Dean of the College of Education effective July 1. Dr. Gmelch was recruited from Washington State University. President Jischke was delighted that he accepted Iowa State University's invitation to serve as dean. His appointment was the result of a unanimous vote of the search committee.

Dr. Gmelch stated that he was pleased to be coming to serve the state of Iowa and Iowa State University. He commended Iowa State University for an exemplary search process. He had never been in a search process that was so complete and where he was made to feel so welcome and appreciated. He was delighted by the unanimous vote. It was a great honor to be here. He thanked the Regents and the Iowa State University community for a wonderful search process. He said he hoped to help the college to help make Iowa State University the premier land grant university in the country.

President Newlin congratulated Dr. Gmelch on his appointment.

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

Register of Personnel Changes for February 1998 which included thirteen requests for early retirement and two requests for phased retirement.

ACTION: The personnel transactions were approved, as presented, by consent.

PRESENTATION BY PRESIDENT MARTIN C. JISCHKE ON THE KELLOGG COMMISSION. The Board Office recommended the Board receive the report by President Jischke on the Kellogg Commission.

President Jischke reported to the Board on the work of the Kellogg Commission and on the work of the Engaged Institution subgroup. The Kellogg Commission on the Future of State and Land-Grant Universities was created in 1996 with a grant of \$1.2 million from the W. K. Kellogg Foundation to the National Association of State Universities and Land-Grant Colleges (NASULGC) to define the direction of public universities in the future. Iowa State University President Martin Jischke is one of 25 presidents serving on the commission.

The commission has identified five key issues to address:

- 1) The Student Experience
- 2) Access and Opportunity
- 3) The Learning Society
- 4) The Campus Culture
- 5) The Engaged Institution

The commission issued its report on the Student Experience in April 1997. Titled "Returning to Our Roots: The Student Experience," the report laid out a bold framework for reform designed to help the nation's colleges and universities "put students first."

The other four issues are being addressed by subgroups of the Commission. President Jischke, who is also 1998 chair of NASULGC, is head of the Engaged Institution subgroup, which plans to issue its report in the fall.

President Jischke stated that he was one of 25 university presidents to serve on the Kellogg Commission. He noted that Iowa was the first state in the union to accept the conditions under the Morrill Act. He is very proud of the role Iowa has played in the land grant movement. President Jischke provided background on the origins of the Kellogg Commission and the work of the subgroups.

President Jischke discussed the challenges facing public universities including growing demands for services, new competitors, funding squeeze and new technologies. With regard to his subgroup's report, he said it would have four parts. He hoped that the group's report would be available this fall.

President Jischke stated that serving on the Kellogg Commission is helping him to better understand the national picture of education. It has reinforced for him that Iowa has one of the best systems of education in the nation; however, Iowa is not an island.

President Newlin congratulated President Jischke and Iowa State University for the role he is playing on the Kellogg Commission. He believes his work there will be mutually beneficial.

Regent Kennedy stated that she participated in "the student experience" activities last year at Iowa State University. It was a top-notch experience. Many education leaders were in attendance. The Kellogg Commission is a very worthwhile endeavor and provides a wonderful opportunity to come up with good ideas. She said she appreciated the opportunity to be involved.

Regent Arenson congratulated President Jischke on his efforts and thanked him for bringing his enlightened vision to Iowa State University and to the Kellogg Commission.

President Jischke thanked Regent Arenson and said he returned the compliment. He said he has learned over the last three years that the structure of governance of higher education in Iowa and the quality of the people compares to the best in the country. There is a tradition of excellence including appointments to the Board of Regents. Iowa is truly a great place to be an educator.

President Newlin stated that this was an appropriate time to pass some kudos on to Wayne Richey. For 31 years he has been a big factor in the educational enterprise that Iowa has, in maintaining the governance of the Board of Regents and his work with the various governors and legislators the state has had. President Newlin congratulated Mr. Richey on those achievements.

ACTION: President Newlin stated the Board received the report by President Jischke on the Kellogg Commission, by general consent.

PROPOSED NAME CHANGE OF THE DEPARTMENT OF JOURNALISM AND MASS COMMUNICATION. The Board Office recommended the Board refer the request for the name change of the Department of Journalism and Mass Communication to the Greenlee School of Journalism and Communication at Iowa State University to the Interinstitutional Committee on Educational Coordination and Board Office for review and recommendation.

Iowa State University officials requested approval to change the name of the Department of Journalism and Mass Communication to the Greenlee School of Journalism and Communication. The "school" designation denotes a professional program that has achieved a certain size and scope. At some institutions the designation "school" has major organizational implications including the identification of the head person as "Dean". It is because of the change from a department to a school that the request was being referred to the Interinstitutional Committee on Educational Coordination. In addition the request from Iowa State University notes some new "specialized fields" within journalism that will be addressed in the proposed school. The

Board may recall that journalism was an area identified by Peat Marwick as an area of "program duplication" (both University of Northern Iowa and University of Iowa have offerings in this area). The Board needs to be assured that this request is coordinated with existing offerings at the three universities.

The designation school carries a level of prestige that may help Iowa State University attract endowed professorships and research funds; recruit top faculty and students; expand and enhance curriculum, and facilitate fund-raising. The Greenlee School of Journalism and Communication will be a unit of the Iowa State University College of Liberal Arts and Sciences.

The private funds will support a variety of undergraduate and graduate initiatives in journalism and communication, including the hiring of new faculty or professorships and chairs in specialized fields such as science communication, agricultural journalism, community journalism, intercultural communication and new media development; increase communication and information technology resources; and further develop multicultural programs. Other future initiatives for the school include increased scholarship support of tope students; programs to help students develop leadership skills; programs to provide opportunities for students to interact with business and education experts; development of technologically advanced facilities for teaching and research in Hamilton Hall; and programs to such areas as communications issues surrounding the latest developments in biotechnology and adoption of information technologies by consumers and businesses.

The name change is in recognition of a \$9 million gift from Iowa State University alumni Robert and Diane Greenlee of Boulder, Colorado. The department's current curriculum is not affected. It will not alter the current level of university general support provided to the department.

ACTION: This matter was referred by consent.

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

APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS

Oak-Elm Hall—Roof Replacement

University officials presented the program statement and schematic design for Board approval. Oak and Elm Halls were constructed in 1938 and 1939, respectively. An addition was constructed in 1965 which connected the two facilities. The existing roofing material for each building is the original slate shingle installed when the buildings were constructed. The roofs suffer from numerous leaks which are endangering the integrity of the facilities.

In addition to removal and replacement of the roofs, the project will provide improvements to address deferred maintenance issues with the buildings' dormers, soffits and chimneys. The project will also provide various life safety improvements to correct code deficiencies including construction of exterior fire stairs to replace the existing fire escapes. The university plans to begin the construction project at the end of the spring 1998 semester for completion by November 1998.

The proposed improvements to the Oak and Elm Residence Halls, which will address deferred maintenance needs, were developed with consideration for protecting the character of the facilities while providing cost-effective, long-term maintenance solutions.

The proposed life safety modifications to the facilities are necessary to provide code compliance in the areas of egress, smoke compartmentalization, fire/smoke detection and ventilation.

PROJECT DESCRIPTIONS AND BUDGETS

Biomass Energy Conversion Facility

September 1997 Budget \$990,000
February 1998 Budget \$1,060,000

Project Budget

	Initial Budget <u>Sept. 1997</u>	Revised Budget <u>March 1998</u>
Construction Costs*	\$ 736,200	\$ 790,800
Professional Fees	121,850	146,550
Project Reserve	131,950	122,650
 TOTAL	 <u>\$ 990,000</u>	 <u>\$ 1,060,000</u>
Source of Funds:		
Norwest Master Lease	\$ 990,000	\$ 990,000
Iowa Energy Center	0	70,000
	<u>\$ 990,000</u>	<u>\$ 1,060,000</u>

- Revised budget includes funds for purchase of land

University officials conducted an extensive search for an alternate site. The recommended location is a 6.05 acre site located east of Ames at the Nevada Industrial Park, Nevada, Iowa. University officials requested approval of a revised project budget in the amount of \$1,060,000, an increase of \$70,000, to provide the estimated amount of funds needed for the purchase of the property at the Nevada Industrial Park.

Coover Hall—Learning Center

July 1997 Budget \$235,000
February 1998 Budget \$621,300

Project Budget

	Initial Budget <u>July 1997</u>	Revised Budget <u>Feb. 1998</u>
Construction Costs	\$ 146,850	\$ 401,615
Professional Fees	32,850	123,727
Movable Equipment	33,000	61,600
Project Reserve	22,300	34,358
TOTAL	<u>\$ 235,000</u>	<u>\$ 621,300</u>
Source of Funds:		
General University Funds		\$ 386,300
ISU Foundation	\$ 235,000	235,000
	<u>\$ 235,000</u>	<u>\$ 621,300</u>

University officials requested approval of a revised project budget in the amount of \$621,300, an increase of \$386,300. The space to be developed into the Learning Center is located in the high bay area on the ground floor of Coover Hall which had been used for large turbines and other machinery. The space will be converted to a collaborative learning environment with computer support for the team learning endeavors of the department, nine team areas, and an open office area for 30 teaching assistants. The project includes the installation of air conditioning to allow year-round use of the space and a lay-in ceiling to reduce the volume of space to be cooled. In addition, the project will increase the electrical supply to the area and will provide painting, carpet and furniture for the Learning Center.

After the initial project budget was approved in July 1997 a preliminary schematic design was completed. This design allowed the project costs to be better defined, particularly with respect to the technology components and required mechanical systems for the Learning Center. The revised project budget of \$621,300 represents the updated project costs and includes additional project funding of \$386,300 from General University funds.

* * * * *

University officials presented three 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

Coover Hall—Learning Center \$68,800
Walker Metzger Architects, Des Moines, Iowa

University officials requested approval to enter into an agreement with Walker Metzger Architects to provide design services for the project. The agreement will provide services from the design development phase through construction. The agreement provides for a fee of \$68,800, including reimbursables.

Amendments:

Telecommunications—Outside Plant System Upgrade Amendment #1 \$144,600
Engineering Associates, Inc., Atlanta, GA

University officials requested approval of Amendment #1 in the amount of \$144,600 which will provide on-site construction inspection services which were included in the agreement as an option for future services. University officials wish to utilize the inspection services based upon a review of the scope and construction monitoring needs for the project. Amendment #1 will not result in an increase in the total project budget.

Reiman Gardens—Phase 2 Amendment #2 \$8,000
Rodney Robinson Landscape Architects, Wilmington, DE

University officials requested approval of Amendment #2 to the agreement in the amount of \$8,000. The amendment will provide additional landscape architectural services resulting from a change in the project scope including a different layout and grading solution. This has resulted in changes to the water features, site sections and some grading elements of the project. Amendment #2 will not result in an increase in the total project budget.

Reiman Gardens--Phase 2 Amendment #1 \$3,000
Rodney Robinson Landscape Architects, Wilmington, DE

CONSTRUCTION CONTRACTS

Agronomy Farm—Biomass Energy Conversion Facility—Phase 1
Reject Bids

Three bids were received for this contract on November 6, 1997. The low bid exceeded the engineering estimate by approximately 14.3 percent. The Executive Director authorized the university to reject all bids and reevaluate and re-bid the project at a future date.

Palmer Human Development and Family Studies Building— \$63,319
Electrical Service Improvements

Award to: Meisner Electric, Newton, Iowa
(2 bids received)

Howe Hall (Engineering Teaching and Research Complex—Phase 1)

Bid Package #12—Testing, Adjusting and Balancing \$48,884

Award to: Systems Management and Balancing, Des Moines, IA
(3 bids received)

Bid Package #13—Coiling Overhead Doors \$9,960

Award to: Skold Door Company, Des Moines, IA
(1 bid received)

Bid Package #15—Roofing \$245,800

Award to: Ida Grove Roofing and Improvement, Carroll, Iowa
(3 bids received)

Bid Package #16—Operable Panel Partitions \$83,458

Award to: Skold Door Company, Des Moines, Iowa
(4 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

ASC1-IPRT Advanced Semiconductor Materials—Characterization Labs
Welker Construction Company, Marshalltown, Iowa

College of Veterinary Medicine—Diagnostic Lab Renovations
HPC, L.L.C., Ames, Iowa

FINAL REPORTS

Maple-Willow-Larch Commons—Telecommunications Upgrade \$113,048.75

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

APPROVAL OF EASEMENT. The Board Office recommended the Board approve the easement, as presented.

University officials requested approval of an easement agreement with the City of Ankeny for culvert and surface water flowage in connection with the extension of Southwest State Street through the Ankeny Research Farm, at no cost to the university.

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

MOTION CARRIED.

DORMITORY IMPROVEMENT FUND TRANSFER FOR FY 1998. The Board Office recommended the Board approve the transfer of \$1,900,000 from the Dormitory Surplus Fund to the Improvement Fund.

Iowa State University officials requested the transfer of \$1,900,000 from the Dormitory Surplus Fund to the Improvement Fund. The funds will be utilized for improvements to the dormitory facilities.

MOTION: Regent Fisher moved to approve the transfer of \$1,900,000 from the Dormitory Surplus Fund to the Improvement Fund. Regent Arenson seconded the motion. MOTION CARRIED UNANIMOUSLY.

PURCHASE OF PROPERTY FOR BIOMASS ENERGY CONVERSION FACILITY. The Board Office recommended the Board approve the purchase of 6.05 acres of land at the Nevada Industrial Park, Nevada, Iowa, as the location for construction of the Biomass Energy Conversion Facility, at the purchase price of \$60,500, subject to approval of the Executive Council of Iowa.

Iowa State University officials requested approval to purchase 6.05 acres of land at the Nevada Industrial Park, Nevada, Iowa, as the location for construction of the Biomass Energy Conversion Facility for research of the Iowa Energy Center. The site at the Nevada Industrial Park will provide necessary public sewer, water, and natural gas service to allow the facility to be used for current and future research. The Industrial Park is owned by the Nevada Economic Development Commission which sees the potential for further community development resulting from the possible research and technology transfer activities from the conversion facility.

The recommended purchase price for the property was \$60,500. Two certified appraisers have respectively appraised the site at \$60,500 and \$61,000. The purchase price of \$60,500 is consistent with Chapter 7.10 of the Board of Regents Procedural Guide which requires that property be purchased at not more than 5 percent over the average of two appraisals or the high appraisal, whichever is the lower figure. The property purchase will require approval of the Executive Council of Iowa as required by the Code of Iowa.

MOTION: Regent Ahrens moved to approve the purchase of 6.05 acres of land at the Nevada Industrial Park, Nevada, Iowa, as the location for construction of the Biomass Energy Conversion Facility, at the purchase price of \$60,500, subject to approval of the Executive Council of Iowa. Regent Kelly seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arenson, Fisher, Kelly, Kennedy, Lande, Newlin, Smith.
NAY: None.
ABSENT: Pellett.

GENERAL
March 18, 1998

MOTION CARRIED.

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

President Newlin expressed appreciation to Iowa State University officials for hosting the meeting and particularly for the arrangements that were made to conference in Regents Kennedy and Lande by telephone.

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, March 18, 1998.

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

Register of Personnel Changes for January 1998.

ACTION: The university's personnel transactions were approved, as presented, by consent.

ACADEMIC PROGRAM CHANGES. The Board Office recommended the Board refer the University of Northern Iowa proposed curriculum changes to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

There were two new majors and five new minors proposed. Three majors and two minors were being dropped. 105 new courses were proposed with 92 present courses proposed to be dropped. Several areas account for the majority of these new offerings. Some courses were being reorganized.

The Department of Modern Languages responded to emerging needs in the professions, especially in business-related areas, and offers now, besides the traditional liberal arts majors, an emphasis in several of its majors on language courses for the professions, i.e., Business French, Business German, etc. In addition, basic language courses were introduced for Japanese.

In the College of Natural Sciences, the Biology Department revamped its course offerings to reflect societal concerns with the environment and ecology. The Chemistry Department recognized the need to offer a number of courses in inorganic chemistry.

The growing need to prepare prospective teachers and teachers already in the field for new educational technologies is reflected in new courses (Classroom Computer Operations, Managing Educational Technology Programs, etc.) in the College of Education.

The other curricular changes indicate the progression and maturation of academic disciplines which require constant monitoring and updating.

ACTION: This matter was referred, by consent.

BUILDING NAME APPROVAL – CURRIS BUSINESS BUILDING. The Board Office recommended the Board approve the request for the name change of the Business Building at the University of Northern Iowa the Curris Business Building.

University of Northern Iowa officials requested approval to change the name of the Business Building the Curris Business Building in honor of former President Constantine W. Curris. Dr. Curris served as President of the University of Northern Iowa from 1983 until 1995.

The proposal was recommended by the Board Office with enthusiasm because of the truly outstanding accomplishments of Dr. Curris for the University of Northern Iowa, the Board of Regents, and the State of Iowa.

MOTION: Regent Arenson moved to approve the request for the name change of the Business Building at the University of Northern Iowa the Curris Business Building. Regent Ahrens seconded the motion.
MOTION CARRIED UNANIMOUSLY.

AWARD OF HONORARY DEGREE. The Board Office recommended the Board approve the request from the University of Northern Iowa to award an honorary Doctorate.

President Koob asked that the Board defer consideration of this item because the faculty had not had an opportunity for review.

ACTION: President Newlin stated the Board deferred consideration of this item.

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

APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS

Lang Hall Renovation

University officials presented a revised program statement for Board approval. The project program now includes construction of an addition to the facility to house the Interpreters Theater and a television studio for the Department of Communication Studies. The auditorium will be retained as a lecture classroom in essentially its current form with some improvements to enhance the use of the space. Included will be the creation of a vestibule for the balcony level entrance and replacement of the auditorium seating. The project will also include restoration of the historical features of the space.

The expanded project scope will require an increase in the project budget by an estimated \$600,000. The additional project funding is proposed from the Building Fund for Student Activities and/or private funds.

University officials will proceed with development of the schematic design based on the expanded project scope. The schematic design will be presented to the Board for approval prior to proceeding further with the project.

PROJECT DESCRIPTIONS AND BUDGETS

Lang Hall Renovation

July 1997 Budget \$12,900,000
March 1998 Budget \$13,500,000

Project Budget

	Initial Budget <u>July 1997</u>	Revised Budget <u>March 1998</u>
Contracts/Purchase Orders	\$ 9,740,000	\$10,280,000
Consultant/Design Services	1,145,000	1,175,000
Movable Equipment/Furnishings	1,200,000	1,227,000
Art Work	65,000	68,000
Contingencies	<u>750,000</u>	<u>750,000</u>
 TOTAL	 <u>\$ 12,900,000</u>	 <u>\$ 13,500,000</u>
 Source of Funds:		
Capital Appropriations	\$ 12,900,000	\$ 12,900,000
Building Fund for Student Activities and/or Private Funds	<u>0</u>	<u>600,000</u>
 TOTAL	 <u>\$ 12,900,000</u>	 <u>\$ 13,500,000</u>

University officials requested approval of a revised project budget in the amount of \$13,500,000, an increase of \$600,000, for the Lang Hall renovation project. The revised budget reflects the expanded project scope outlined in the revised program statement.

University officials proposed to provide the additional funding for the project from the Building Fund for Student Activities and/or private funds. University officials indicated that efforts will be made to seek private funds for the project to reduce the commitment from student activity fees.

Regent Fisher asked if the addition would fit into the budget. Vice President Conner responded that there would be a \$600,000 increase in the budget. The source of funds would be building fund for student activities and/or private funds.

Regent Arenson asked if the Regents would be presented with the revised plans for review. Mr. Richey said he assumed that university officials would submit a schematic design after it has been developed.

<u>Institutional Roads 1998—Jennings Drive,</u>	Sept. 1997 Budget <u>\$390,601</u>
<u>26th Street, President's Drive, Wisconsin Street</u>	Feb. 1998 Budget <u>\$428,601</u>

Project Budget

	Initial Budget <u>Sept. 1997</u>	Revised Budget <u>March 1998</u>
Contracts/Purchase Orders	\$ 325,500	\$ 360,000
Consultant/Design Services	48,800	52,000
Contingencies	<u>16,301</u>	<u>16,601</u>
 TOTAL	 <u>\$ 390,601</u>	 <u>\$ 428,601</u>
 Source of Funds:		
Institutional Roads Funds	\$ 390,601	\$ 390,601
Building Repair Funds	0	27,000
Parking Operations	<u>0</u>	<u>11,000</u>
 TOTAL	 <u>\$ 390,601</u>	 <u>\$ 428,601</u>

University officials presented a revised project budget in the amount of \$428,601, an increase of \$38,000 from the original budget of \$390,601. The revised budget was approved by the Executive Director to allow award of the construction contract for the project.

The majority of the work included in this project is funded by Institutional Roads funds through the Iowa Department of Transportation. However, university officials learned from the Department of Transportation that certain work included in the project is not eligible for funding from this program. This work includes parking spaces and lanes and installation of a groundwater system and sidewalks. The total estimated cost for the work not eligible for Institutional Roads funding is \$38,000. Therefore, university officials requested Executive Director approval of a revised project budget which added \$38,000 from Parking Operations and Building Repair funds for the work not eligible for Institutional Roads funding.

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University officials presented 11 projects with budgets of less than \$250,000. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

West Gym Renovation \$25,250
Shive-Hattery Engineers and Architects, Cedar Rapids, Iowa

University officials requested approval to enter into an agreement with Shive-Hattery Engineering and Architects to provide architectural services for the project. The agreement will include design, construction coordination and periodic construction observation services. The agreement provides for a fee of \$25,250, including reimbursables.

Institutional Roads 1998—Jennings Drive, 26th Street, \$336,770.57
President's Drive, Wisconsin Street
Award to: Cunningham Construction Company, Inc., Cedar Falls, Iowa

Base Bid of \$306,129.15 plus Alternate #1 of \$30,641.42 =

TOTAL AWARD OF: \$336,770.57

(3 bids received)

Lang Hall Renovation—Asbestos Abatement \$20,565.00
Award to: Advanced Technologies Corporation, Cedar Falls, Iowa
(7 bids received)

Telecommunication System—Trunked Radio System and \$336,015.00
Public Safety Answering Point
Award to: Radio Communications Company, Waterloo, Iowa
(1 bid received)

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

APPROVAL OF LEASES. The Board Office recommended the Board approve leases, as presented, subject to final review of the lease agreement between the University of Northern Iowa and Northwest Hockey, Inc., by the Attorney General's Office.

University officials requested approval to enter into a new lease agreement as lessee with Ken Caines for the university's use of 8,000 square feet of space located in the Cedar Falls Industrial Park for expanded programs of the Iowa Waste Reduction Center at the rate of \$3,000 per month (\$4.50 per square foot, \$36,000 per year) for a four-year period.

University officials requested approval to extend its lease agreement as lessee with Northern Natural Gas Company for the university's use of a tract of land in Black Hawk County, Iowa, which serves as a transmitter site for KHKE-FM, at the rate of \$550 per year for a three-year period.

University officials requested approval to enter into a new lease agreement as lessee with Northwest Hockey, Inc., for the university's use of the Waterloo Riverfront Stadium for practice and home games of the University of Northern Iowa baseball team for the 1998 season, for amounts specified in a rate schedule for use of the stadium, not to exceed a total of \$8,750 (exclusive of practice charges).

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

MOTION CARRIED.

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Wednesday, March 18, 1998.

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

Register of Personnel Changes for February 1998.

ACTION: The personnel transactions were approved, as presented, by consent.

COOPERATIVE ATHLETIC AGREEMENT WITH LEWIS CENTRAL. The Board Office recommended the Board approve the agreement with Lewis Central Community School District.

Lewis Central and Iowa School for the Deaf have cooperated for several years to offer Iowa School for the Deaf students the opportunities to participate in cross country, golf, tennis, wrestling, soccer, swimming, and junior high football at Lewis Central.

Iowa School for the Deaf has few expenses associated with the agreement. Interpreters are generally provided to enable students to understand what the coaches are saying.

Although few students have taken advantage of these opportunities, the school believes that the opportunity should be presented to students to develop skills in these sports.

ACTION: The agreement was approved, by consent.

REPORT ON DISCUSSIONS WITH THE NEBRASKA AUTHORITIES REGARDING ADMISSION OF NEBRASKA STUDENTS AT THE IOWA SCHOOL FOR THE DEAF. The Board Office recommended the Board authorize the Executive Director to negotiate

a contract with officials from Nebraska for the Iowa School for the Deaf to provide services to Nebraska deaf students, for consideration of the Board in April.

Superintendent Johnson and Board Office staff have met with representatives of the Nebraska Department of Education relative to the provision of services for Nebraska deaf students. The Nebraska Department of Education expects to close the Nebraska School for the Deaf at the end of the 1997-1998 school year.

Nebraska officials have expressed interest in securing services for Nebraska deaf students through the Iowa School for the Deaf. The number of Nebraska students currently expected to be admitted to the Iowa School for the Deaf next school year is 15-16 students. Ten students are expected to participate in both residential and academic programs while 5-6 would be day students utilizing the academic program services.

The Iowa School for the Deaf provides comprehensive and high quality services to deaf students in Iowa. Services provided by the Iowa School for the Deaf have been categorized into five distinct components, which are the academic program, residential services, outreach, transportation, and summer school.

The negotiations with the Nebraska Department of Education, thus far, have related to charges per student for the academic program, residential services, and operating and capital expenditures. The negotiations have not covered services for students with extraordinary needs, transportation, outreach, or summer school. If such services are desired, the two parties would address those needs.

Discussions regarding issues of liability are under continuing discussion by counsel for the Board of Regents and for the Nebraska Department of Education.

With the Board's approval of authority to negotiate a contract with Nebraska officials, it is anticipated that a contract will be presented to the Board in April for formal consideration and approval.

Mr. Richey stated that negotiations had gone quite well. The issue of liability still needed to be resolved. He hoped to have a proposed contract ready for Board consideration in April. The April Board meeting is being held in Council Bluffs. Perhaps the Regents would have an opportunity at a social function at the superintendent's home to meet with Nebraska officials. He said he could not have asked for a better environment for negotiations.

President Newlin asked that the social function to which Mr. Richey referred be arranged.

Regent Fisher said the proposed agreement made a lot of sense both for Iowa and for Nebraska. It may open additional cooperative opportunities in other areas.

MOTION: Regent Arenson moved to authorize the Executive Director to negotiate a contract with officials from Nebraska for the Iowa School for the Deaf to provide services to Nebraska deaf students, for consideration of the Board in April. 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 the Iowa School for the Deaf be approved.

PROJECT DESCRIPTIONS AND BUDGETS

Visual Alert System—Phase VI \$65,000
Source of Funds: FY 1998 Capital Appropriation

School officials requested approval of a project description and budget in the amount of \$65,000 for the sixth phase of an ongoing project to provide a fully addressable system for fire detection and annunciation for fire and severe weather. The Phase VI project will install the system in the Girls Dormitory.

Dobson Circle/Bell Drive Intersection Reconstruction—Phase II \$79,900

Preliminary Budget

Construction Costs	\$ 70,000
Engineering/Design Services	<u>9,900</u>
TOTAL	<u>\$ 79,900</u>
Source of Funds:	
Institutional Roads	\$ 54,000
FY 1999 Building Repair Funds	<u>25,900</u>
TOTAL	<u>\$ 79,900</u>

School officials requested approval of a project description and budget in the amount of \$79,900 to reconstruct the southern portion of the Dobson Circle/Bell Drive intersection

on the Iowa School for the Deaf campus. The Phase I portion of the project was completed in FY 1996 and included reconstruction of the northern portion of the intersection. Phase II will complete the project. Building repair funds will be used to reconstruct a campus utility tunnel that transverses the project area.

Infirmary Building Power Correction \$8,500
Source of Funds: FY 1998 Building Repair Funds

School officials requested approval of a project description and budget in the amount of \$8,500 for electrical improvements for the Infirmary. The project will replace the existing building transformer and associated distribution panel.

Visual Alert System—Phase V May 1997 Budget \$45,000
March 1998 Budget \$45,000

School officials requested approval of an amended project budget which reflects a change in the source of funds from building repair funds to FY 1988 capital appropriations.

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

RATIFICATION OF CONTRACT WITH COMMUNITY SERVICES GROUP. The Board Office recommended the Board ratify the contract with Community Services Group for the Iowa School for the Deaf capital campaign.

In mid-1997 the Community Services Group of Omaha, Nebraska, was selected through the request for proposal process coordinated by Iowa State University to undertake a fundraising feasibility study for the proposed recreation complex at the Iowa School for the Deaf. As reported to the Board in September 1997 during discussions of the FY 1999 and FY 2000 capital requests, the feasibility study indicated that a fundraising goal of \$1 million was attainable.

Iowa School for the Deaf officials requested ratification of a memorandum of agreement with Community Services Group to coordinate, plan, develop and implement the capital campaign and to coordinate public relations for the campaign with the school. Community Services Group will be paid the sum of \$9,500 per month for seven months (\$66,500 total) from private funds of the school for its services. Reimbursable expenses for travel outside the local area and other expenses, which must have prior approval of Dr. Johnson, are not to exceed \$20,000. If the school determines the need

for a permanent director of development after completion of this contract, Community Services Group will provide the guidance and expertise needed to conduct a search for this position at no additional cost. The memorandum of agreement was reviewed by the Attorney General's office.

The Executive Director in consultation with President Owen Newlin authorized execution of the contract on February 18, 1998, in order to get the project underway on a timely basis.

Regent Arenson stated that this had been a great effort on the part of Iowa School for the Deaf officials, Mr. Richey and President Newlin.

Mr. Richey stated that Murray Blackwelder, Vice President, External Affairs, Iowa State University, who had put much effort into this activity, should be thanked.

MOTION: Regent Fisher moved to ratify the contract with Community Services Group for the Iowa School for the Deaf capital campaign. Regent Arenson 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, March 18, 1998.

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

Register of Personnel Changes for the period January 25 through February 21, 1998.

ACTION: The personnel transactions were approved, as presented, by consent.

SALE OF BOILER HOUSE AND LAND. The Board Office recommended the Board approve the sale of approximately 1.5 acres of property which includes the school's former boiler plant to Darran and Teri Sellers of Vinton, Iowa, in the amount of \$357.16, subject to review of the sale documents and property appraisals by the Attorney General's Office, and subject to approval of the Executive Council of Iowa.

Iowa Braille and Sight Saving School officials requested approval of the sale of approximately 1.5 acres of property located north of the Iowa Braille and Sight Saving School campus. In November 1997 the Iowa Braille and Sight Saving School received Board approval to advertise for the sale of property which includes the school's former boiler plant. The school's former boiler plant is no longer used by the school since the installation of new boilers in 1995. Iowa State University personnel have estimated that the cost to demolish the structure and address related issues (an underground storage tank, steam tunnel connection and asbestos removal) is \$250,000 to \$400,000.

The sale of the property was advertised in the Des Moines Register, Waterloo Courier, Cedar Rapids Gazette and Vinton Valley Times. School officials proposed to sell the property to Darran and Teri Sellers of Vinton at the purchase price of \$357.16. Sale of the property at this price will avoid the costs detailed above. The prospective buyers plan to develop the structure and surrounding area into apartments.

The school received two appraisals for the property. One appraisal indicated that the demolition and disposal costs for the property would negate the site value. The other appraisal indicated that the property does not have the potential to have value given the limitations for the use of the property and environmental considerations.

The property sale is subject to review of the sale documents and property appraisals by the Attorney General's Office, and subject to approval of the Executive Council of Iowa.

MOTION: Regent Arenson moved to approve the sale of approximately 1.5 acres of property which includes the school's former boiler plant to Darran and Teri Sellers of Vinton, Iowa, in the amount of \$357.16, subject to review of the sale documents and property appraisals by the Attorney General's Office, and subject to approval of the Executive Council of Iowa. Regent Fisher seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arenson, Fisher, Kelly, Kennedy, Lande, Newlin, Smith.
NAY: None.
ABSENT: Pellett.

MOTION CARRIED.

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 2:25 p.m., on Wednesday, March 18, 1998.

R. Wayne Richey
Executive Director