

The State Board of Regents met on Wednesday and Thursday, September 23 and 24, 1998, at the University of Iowa, Iowa City, Iowa. The following were in attendance:

	<u>September 23</u>	<u>September 24</u>
<u>Members of State Board of Regents</u>		
Mr. Newlin, President	All sessions	All sessions
Ms. Ahrens	All sessions	All sessions
Mr. Arenson	All sessions	All sessions
Mr. Fisher	All sessions	All sessions
Dr. Kelly	All sessions	All sessions
Mrs. Kennedy	All sessions	All sessions
Mr. Lande	All sessions	All sessions
Mrs. Pellett	All sessions	All sessions
Mrs. Smith	All sessions	Excused
<u>Office of the State Board of Regents</u>		
Executive Director Stork	All sessions	All sessions
Deputy Executive Director Barak	All sessions	All sessions
Director Elliott	All sessions	All sessions
Director Wright	All sessions	All sessions
Associate Director Kniker	All sessions	Excused
Associate Director Racki	All sessions	All sessions
Assistant Director Gonzalez	All sessions	Excused
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Coleman	All sessions	All sessions
Provost Whitmore	All sessions	All sessions
Associate Provost Folkins	All sessions	All sessions
Vice President True	All sessions	All sessions
Interim Director Murphy	Arrived at 1:00 p.m.	Excused
<u>Iowa State University</u>		
President Jischke	All sessions	Excused at 10:42 a.m.
Provost Kozak	All sessions	Excused at 10:42 a.m.
Vice President Hill	All sessions	Excused at 10:42 a.m.
Vice President Madden	All sessions	Excused at 10:42 a.m.
Executive Assistant to the President Dobbs	All sessions	Excused
Assistant to the President Mukerjea	All sessions	Excused
Director Bradley	All sessions	Excused at 10:42 a.m.
Director McCarroll	All sessions	Excused at 10:42 a.m.
Associate Director Steinke	All sessions	Excused at 10:42 a.m.
<u>University of Northern Iowa</u>		
President Koob	All sessions	Excused at 10:47 a.m.
Interim Provost Podolefsky	All sessions	Excused at 10:47 a.m.
Vice President Conner	All sessions	Excused at 10:47 a.m.
Executive Assistant to President Geadelmann	All sessions	Excused
Director Chilcott	All sessions	Excused at 10:47 a.m.
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	Excused
Director Heuer	All sessions	Excused at 10:45 a.m.
Interpreter Reese	All sessions	Excused
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	All sessions	Excused at 10:45 a.m.
Director Utsinger	Excused	Excused at 10:45 a.m.
Director Woodward	All sessions	Excused at 10:45 a.m.

## GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday and Thursday, September 23 and 24, 1998.

**APPROVAL OF MINUTES OF BOARD MEETINGS OF JULY 14-15 AND AUGUST 11, 1998.** The Board Office recommended the Board approve the minutes.

President Newlin asked for additions or corrections to the minutes.

**ACTION:** President Newlin stated the Board approved the minutes of the meetings of July 14-15 and August 11, 1998, by general consent.

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

Receive the annual affiliated organization report on the Stanton Memorial Carillon Foundation;

Approve the Board meetings schedule; and

Approve a modification in the coaching supplements authorized for coaches of the track and field teams at Iowa Braille and Sight Saving School so that a single coach for both male and female teams is paid a supplement of \$2,200 for the season.

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

**INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION.** (a) Modification of Membership of the Regent Committee on Educational Relations. The Board Office recommended the Board approve the proposed membership modifications in the RCER effective immediately.

The Regents Committee on Educational Relations (RCER) recommended a modification in the membership of the RCER. These changes (membership and term of service) were proposed to bring the membership and functioning of the RCER in line with current practice, adopted by the Board in response to recommendations by consultants several years ago. At that time, the consultants recommended a reduction in the number of committees reporting to the Board and the Board subsequently approved this change. The RCER now reports to the ICEC and is an ongoing administrative committee.

The proposed change would formally recognize a practice of the past several years in which a representative of the Iowa Department of Education (DOE) has participated in the meetings. This new membership is critical since the RCER functions to articulate policies and rules to the K-12 schools and the community colleges. Both the K-12 schools and community colleges are regulated by the DOE. Having a member from the DOE would greatly facilitate communication with schools and community colleges.

The committee seeks to add an ex officio member of the Board Office staff to participate in these meetings for coordination purposes.

MOTION: Regent Fisher moved to approve the proposed membership modifications in the RCER effective immediately. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Proposed B.S. Degree in Applied Physics, SUJ. The Board Office reported that the material for this item was not available for the September docket; therefore, it will be on the Board's docket in October.

(c) Amendment to Policy on English Proficiency. The Board Office recommended the Board approve the proposed amendment to the Regent Policy on English Language Proficiency effective immediately.

Several years ago the Legislature established an oral communication competence requirement for persons who provide instruction at the Regent institutions. A new provision in the law passed in 1997 stipulates that the Board of Regents shall establish criteria by which the Regent universities may discontinue the annual evaluation of instructors whose English competency is not in question.

The amendment reads as follows:

*However, the board shall establish criteria by which an institution may discontinue annual evaluations of a specific person providing instruction. The criteria shall include receipt by the institution of two consecutive positive annual evaluations from the majority of students evaluating the person. (section 262.9, subsection 24, Code 1997)*

The Interinstitutional Committee on Educational Coordination has drafted criteria allowing the universities to waive the annual evaluation for certain individuals who have been determined to be competent in English. The committee's recommended language goes beyond the criteria for exceptions provided in the law. In addition to requiring persons to pass an oral competency exam, the committee requires the unit chairperson to actually approve the discontinuance of the testing requirement. The evaluations would continue to be required for all other persons providing instruction.

MOTION: Regent Ahrens moved to approve the proposed amendment to the Regent Policy on English Language Proficiency effective immediately. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

**PRELIMINARY REPORT ON FALL 1998 ENROLLMENT TRENDS.** The Board Office recommended the Board receive the report.

Regent universities and special schools provided preliminary reviews of enrollment trends for the Fall 1998 semester. Undergraduate enrollments increased at all three Regent universities. Graduate enrollments increased at the University of Iowa and University of Northern Iowa and decreased at Iowa State University. There were slight decreases in professional school enrollments at both the University of Iowa and Iowa State University.

Overall enrollment at the special schools increased due to the attendance of 23 new students from Nebraska at the Iowa School for the Deaf.

President Newlin welcomed Diana Gonzalez, newly-appointed Assistant Director of Academic Affairs in the Board Office.

Assistant Director Gonzalez reviewed the report with the Regents.

Regent Fisher stated the report indicated very good trends.

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

**ANNUAL STUDENT FINANCIAL AID REPORT.** The Board Office recommended the Board (1) receive the report and (2) encourage the universities to continue their efforts to provide more scholarship/grant and employment opportunities to students to reduce reliance on loans.

Student financial aid is awarded in three major categories:

- Grants/scholarships which account for approximately 23 percent of financial aid resources;
- Loans which account for approximately 49 percent of financial aid resources;
- Employment which accounts for approximately 28 percent of financial aid resources.

During the 1997-98 academic year, there were 146,168 awards at Regent universities totaling \$436,327,802 in all categories of student financial aid. This represented an 8.09 percent increase in funds and a 7.8 percent increase in awards from the previous year. The average award per student remained fairly constant at \$2,985.

During 1997-98, 53,207 grants totaling \$100,937,733 were awarded. This represented an increase of more than \$9.8 million in funds (+10.8 percent) and an increase of approximately 2,000 awards (+3.9 percent) from 1996-97. The average grant award was \$1,904, which increased by \$118 from the previous year.

During 1997-98, 60,654 loan awards were made to students; this was an increase of approximately 8,500 awards (+16 percent) from 1996-97. The total amount of funds disbursed was \$214,641,665, which was an increase of 11.6 percent from the previous year. The average loan award decreased slightly from \$3,727 to \$3,539. For those students who had incurred debt through Regent universities, the average indebtedness for graduating seniors in 1997-98 was \$16,565, which was a decrease of 2.7 percent from the previous year. At all Regent universities, there was a decrease in average indebtedness in 1997-98 for graduating seniors; there was a decrease of 6.2 percent (\$16,786) at Iowa State University, of 4.6 percent (\$15,494) at the University of Iowa, and of 1.4 percent (\$16,715) at the University of Northern Iowa. Approximately 53 percent of the graduating

seniors at the University of Iowa, 50 percent at the University of Northern Iowa, and 32 percent at Iowa State University did not incur university-related debts.

During 1997-98, \$120,748,404 was used for student employment. Although this represented an increase of more than \$2.2 million for student employment from the prior year, there was a small decrease in the number of students (80 students) who received employment awards in 1997-98. The average award increased slightly from \$3,640 to \$3,717 (+2.1 percent). The past academic year was the first year that Regent universities were able to place work-study students in a community service program called America Reads. This and other community service programs provide 100 percent funding from the federal government. The number of students placed ranged from 9 at Iowa State University, to 47 at the University of Iowa, and 52 at the University of Northern Iowa.

The federal government is currently debating budgetary changes for 1998-99; Congress is expected to sign the reauthorization of the Higher Education Act by October 1, 1998. The Senate panel's bill would increase the maximum Pell Grant to \$3,100 from the current \$3,000. The House panel's bill would increase it to \$3,150. Unlike the House appropriations panel, the Senate committee would include the following provisions:

- Funds for the federal contribution to the Perkins Loan Program, which provides low-interest loans to needy students;
- State Student Incentive Grant Program, which provides matching funds to encourage states to commit their own money to need-based student grants; and
- Graduate Assistance in Areas of National Need Program, which gives fellowships to graduate students who are studying subjects deemed critical to the nation.

Assistant Director Gonzalez reviewed the report with the Regents.

President Coleman stated that she was pleased with the positive trends in indebtedness by graduates, which was going down slowly. She suggested the trend perhaps reflected good advising. Reducing the time it takes for completion of degrees was also a factor. University officials have previously reported that approximately 50 percent of University of Iowa students are signing up for the 4-year graduation plan. This year 62 percent of the new students signed up for the 4-year graduation program.

President Coleman reported that the University of Iowa is attracting more scholarship funding. University officials have raised \$9-10 million this year in outright gifts for scholarships. Another \$10 million in deferred gifts was garnered. In the university's upcoming capital campaign, university officials have placed scholarships as the top priority. University officials intend to raise at least \$40 million for scholarship funding. President Coleman stated that there are many positive activities taking place at the University of Iowa.

President Jischke stated that the total amount of financial aid available at Iowa State University had increased by more than 10 percent versus an increase in tuition of 3.9 percent.

President Koob stated that University of Northern Iowa officials announced a scholarship campaign this fall. University officials had already collected \$6.9 million of the \$10 million goal.

Mark Warner, University of Iowa financial aid director, stated that the indebtedness figures for 1997 graduates included those students who have borrowed while attending the University of Iowa and it also represented borrowing done at institutions the students had previously attended. He noted that at the University of Iowa 53 percent of May 1997 graduating seniors did not borrow. If those figures were factored into the average indebtedness for the May 1997 graduating class, the total would be just over \$7,200 at the University of Iowa. He said there is a large percentage of students at each of the three Regent universities who are not borrowing and are therefore graduating with no debt. Mr. Warner stated that some positive things have happened over the last few years. The Pell grant has increased from \$2,400 to \$3,000 in a five-year period of time. In the reauthorization of the Higher Education Act there is an expectation for a moderate increase in federal government programs but also some fairly significant increases in the federal work study program which continues to be a very popular program.

Earl Dowling, Iowa State University financial aid director, stated that he has seen one of the most positive trends in student financial aid in the last few years. Iowa high school students can be assured that university officials can find student financial aid for them. He said that was a departure from the situation just a few years ago.

Roland Carrillo, University of Northern Iowa financial aid director, noted that the American Reads program is an excellent program provided with work study dollars. Students who are preparing to be teachers are able to work with local schools. Staff in the financial aid office work closely with faculty to place students in the community schools. He said it is an exciting win-win for all students.

Regent Kennedy referred to the HOPE scholarship credit and asked about the qualifications that families have to fulfill. Director Dowling responded that among the requirements for the HOPE scholarship credit is an income eligibility test.

Regent Ahrens commended officials of the three Regent universities for increasing their priority of financial aid, particularly for making financial aid a top priority in fund raising. Doing so indicates the universities' focus on students.

Regent Pellett stated that if a family does its job and saves for a college education the family is ineligible for federal financial aid. She said that is wrong. She acknowledged that the problem is bigger than a state of Iowa issue. She asked that university officials ensure that their systems of doling out financial aid are fair for all families. She then observed that in some families it is the parents rather than the students who are borrowing funds for education.

Regent Kennedy said she recently read an article about those parents who save for their children's college education not being eligible for federal financial aid. The Regent universities need to be aware of it. The federal policy discourages families from planning ahead and trying to save the money for college. It was almost like a penalty for planning ahead.

Regent Pellett said she would like to see some nationwide statistics.

Regent Ahrens said the issue of ineligibility for federal financial aid for families that save for college also confirmed the importance of scholarships and particularly scholarships based on need.

MOTION: Regent Fisher moved to (1) receive the report and (2) encourage the universities to continue their

efforts to provide more scholarship/grant and employment opportunities to students to reduce reliance on loans. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

**REPORT ON TEACHER PREPARATION.** The Board Office recommended the Board (1) receive the report on teacher education reform efforts at the Regent universities and (2) request that each university present additional information at the November Board meeting regarding the integration of teacher education reform into institutional strategic plans.

In the continuing discussions regarding teacher preparation, some frequently- mentioned changes include: more mentoring of new teachers and formal induction programs by local school districts; assessments conducted at critical steps in the teacher educational process; use of performance-based standards to judge the professional behaviors of students; and more extensive follow-up studies of graduates of teacher education programs, both by state agencies as well as the individual universities.

#### Current Studies: Governor's Council and Legislative Study

In July, Governor Terry Branstad signed an Executive Order creating the Council for Continuous Improvement in Education and, in separate action, directed the State Board of Education and the Board of Educational Examiners to establish a task force to move forward with competency-based educator/administrator preparation and licensing. The Governor named R. Wayne Richey to chair the Council, whose task is to lead and encourage statewide efforts to prepare, recruit and retain effective education professionals in Iowa's pre-K-12 schools.

Also in July, the Legislative Council created a joint Legislative Study Committee on Teacher Preparation. The committee tasks include: addressing the status of existing teacher and administrator preparation programs and support for beginning teachers; formulating and exploring teacher preparation options; considering proposals for expanding, improving, and retaining the supply of quality teachers; requesting suggestions for program improvements; and identifying policy options for consideration by the General Assembly. The committee requested testimony from the Board of Regents, representatives of the Department of Education and the Board of Educational Examiners, classroom teachers, administrators, professional education groups, and citizens.

During the committee's meeting on August 25, Board President Owen Newlin appeared on behalf of the Regents and gave remarks, and introduced the deans of the Colleges of Education of the Regent institutions. The deans presented testimony regarding the quality of students in their programs, specific strategies to integrate technology, methods to link local teachers and administrators electronically with the campus, and samples of programs which increase opportunities for future teachers to be in K-12 classrooms.

#### Regent Institutions' Activities in Educator Preparation

The deans of the Regent institutions' Colleges of Education have expressed support for early testing/assessment of candidates. They agree on utilization of a common assessment tool (such as Praxis I or equivalent). Policy matters to be resolved include: determining if and how much individual students would be responsible for paying for this assessment and the procedures for publishing "pass rates" of the assessment.

A different "final" competency examination procedure is under consideration by the Regent universities; the preference would be for a nationally administered instrument. Students would be notified, through the Colleges of Education, that such a test would be a condition for licensure if the Board of Educational Examiners approves rather than a requirement of graduation from the program.

The Regent institutions are engaged in a cooperative project with the Department of Education, independent colleges in Iowa, and local school districts to improve the use of technology in K-12 schools. This project is known as the Teacher Technology Educational Consortium (TTEC) project.

Professional development of K-12 teachers is a goal of the Eisenhower Professional Development Grants administered by the Board Office. Each year, proposals are solicited from higher education institutions which develop teaching skills in science, math and reading. Partnerships are encouraged between local districts, educational entities, and universities. Typically, three or four grants of up to \$100,000 each are awarded annually.

#### Status Report on the Recommendations of The Governor's Commission on Educational Excellence (1997)

The Governor's Commission on Educational Excellence (1997) made a number of recommendations regarding teacher education. Each of the universities provided the following updates on recommendations of the commission having particular importance or impact upon them:

*Recommendation: Every graduate must demonstrate proficiency on performance measures approved by the Board of Educational Examiners.*

Response: The universities now use different assessment instruments; there is agreement that all institutions will move to use a common instrument at the time of admission such as Praxis I or a similar national test. The individual universities have or will develop other assessment procedures to use throughout the program. The universities emphasize that a second examination required by the Board of Educational Examiners, such as Praxis II or an equivalent, must be clearly understood and promoted as a precondition for licensure, not a requirement for graduation from their teacher education programs.

*Recommendation: Preparation. . . should include an internship.*

Response: Until appropriate funding is obtained from the state and/or local school district, it is difficult to support this concept. Further, the three universities currently provide many opportunities for students to work in school environments, exceeding the minimum number of hours (50) now called for by state regulation.

*Recommendation: The Board of Regents shall conduct a cost-benefit analysis of different accreditation alternatives for teacher education programs.*

Response: Currently an exploration of membership in the new Teacher Education Accreditation Council (TEAC) is underway by the universities.

*Recommendation: Teacher education institutions shall adopt higher measures[i.e., standards] for entrance. . . into teacher education programs.*

Response: University of Iowa has provided evidence that its limited enrollment policy has resulted in admission of students whose ACT scores and grade point averages (GPAs) exceed university averages. Historically speaking, students in teacher education programs at the Regent institutions have performed well on pre-admissions tests.



*Recommendation: Teacher education programs need to develop . . . outreach programs that attract Iowa children and adults to teaching as a career.*

Response: The three universities have programs in place and indicate they will do more. The suggestion has been made that forgivable loans might be a helpful recruiting tool. All universities indicate they will do more to recruit well-qualified minority students.

*Recommendation: Iowa's teacher education preparation programs shall seek opportunities to develop high quality, cooperative programs for administrators.*

Response: A preliminary meeting of the University of Iowa, Iowa State University, Drake University, Iowa Department of Education, and School Administration of Iowa officials was held in June. The University of Northern Iowa is to be included in future meetings.

### Status Report on Strategic Plans for Teacher Education Reform at the Regent Universities

Each university developed proposals for redesign and improvement of their teacher education programs in 1997, recognizing the work of the Governor's Commission on Educational Excellence. These proposals had budgetary implications and became part of the Regents legislative program in the 1998 session. The proposals, recommended by the Governor last year, remain part of the universities' budget requests and Board Office recommendations for the 1999 session.

Each university has also developed, for Board review, initial plans for the redesign of teacher education programs that could be integrated into the overall institutional strategic plans. Each would include field-based practitioner methods and experiences. It is important to recognize that, on each campus, additional discussion and action will occur. The plans are as follows:

#### The University of Iowa -- a Proposed Addendum to the College's Strategic Plan

Goal #1. A high quality record of teaching and student learning, with particular attention to the undergraduates in the teacher preparation program.

Additional strategies:

Collaborate with the test and measurement faculty of the Iowa Testing Program to select or develop an evaluation system which can be used to ensure all students admitted to practitioner preparation programs demonstrate competence in basic academic skills.

Develop a system which provides an easy avenue for all faculty of professional education courses to "red flag" any student who demonstrates unprofessional behavior in class. This system will make it easier to develop the collective judgment needed to initiate action to counsel students, to develop remediation plans, to deny licensure to students, and/or possibly remove students from the program.

Involve professional education core faculty (including all methods faculty) in the evaluation of Praxis II as a vehicle to ensure all students recommended for licensure demonstrate competence in their subject area field as well as in teaching theory and practice.

Pilot several strategies for using the Web to increase the timeliness and specificity of feedback from graduates and their employers as to the quality and comprehensiveness of the graduate's preparation program.

#### Iowa State University -- Proposed Addendum to the College of Education Strategic Plan

## "Preparing Educators for the Learning Society -- Transforming Teacher Preparation"

Current Goal: Improve the quality of teaching and learning and strengthen undergraduate, graduate, and professional programs.

Additional strategies for transforming teacher preparation:

Recruit the best and the brightest students into education who are passionate about learning and provide them the support structure to ensure that they succeed in their programs.

Provide practice-centered pre-K-8 teacher preparation to closely integrate theory and practice through in-depth field experiences facilitated by faculty collaboration with school practitioners in teacher preparation to form a powerful mentor-based linkage.

Place emphasis on mathematics, science, and technology revitalization for secondary education (MASTERS) ensuring that the prospective teachers will become proficient in the content domain of their discipline, innovative uses of technology, current discipline-focused school reforms, and strong critical thinking skills consistent with INTASC principles.

Offer induction/internships for beginning teachers to facilitate their difficult transition into the profession, and to produce effective teachers who will be able to integrate content knowledge with pedagogical understanding to assure that all students learn and perform at high levels.

Provide state-of-the-art training in resolving challenging behaviors including on-line consultation to turn classroom problems into learning opportunities.

Redesign the educational administration program to provide sufficient numbers of administrators for Iowa schools who are well prepared in a new style of leadership enabling them to become accountable leaders of learning communities, experts in technology and data-based decision-making, facilitators of diverse environments, and effective change agents.

Evaluate program outcomes and performance standards guided by INTASC standards, develop student portfolios to be reviewed by faculty and practitioners, formulate continuous improvement plans by the graduates, and conduct follow-up surveys of graduates, employers, and mentors to provide for continuous quality improvement.

### University of Northern Iowa -- Proposed Subgoal for Teacher Education Reform

Subgoal 1.4. Provide curricular and related learning activities for the initial and continuing education of personnel for the schools of Iowa and beyond.

Recruit talented and diverse students to educator preparation programs.

Promote a performance-based educator program.

Produce educators with the knowledge, skills, and attitudes required for the full integration of technology into their teaching and related activities.

Conduct the educator preparation program in collaboration with school districts, community colleges, and other partners as appropriate.

Promote the development of field-based preparation programs for school leaders.

Dean Gmelch, Iowa State University, reviewed the information on the teacher preparation program and school administrator program in the state of Iowa. There will be more field experiences for teachers, entrance and exit requirements, and skill levels competencies. The standards are being raised.

Acting Dean Shephardson, University of Iowa, stated that a couple of areas had been getting a lot of attention lately: teacher competence and teacher compensation. He said he believes that all teacher education institutions in Iowa are putting out very good products. The University of Iowa raised the GPA entrance requirement last year. The average grade point average of incoming students is 3.18. The average ACT score of entering students is 23.5 while the average ACT score nationally is 20. Only two students out of 574 were ranked in the lower quintile and those were non-traditional students. Students have indicated they would be willing to take a competency test, the cost of which would be approximately \$90/student. Students understand the long-term benefit of the competency test.

Dean Switzer, University of Northern Iowa, stated there has been much public interest in teacher education. He welcomed the Regents' interest and support. He noted that teacher education is distinct at the University of Northern Iowa, where it is a university-wide responsibility, rather than a college-governed activity.

MOTION:

Regent Kennedy moved to (1) receive the report on teacher education reform efforts at the Regent universities and (2) request that each university present additional information at the November Board meeting regarding the integration of teacher education reform into institutional strategic plans. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin thanked the education deans for their presentations.

Regent Pellett stated that she had received comments from a legislator about a meeting that President Newlin had chaired which included participation by the deans of education. The legislator indicated that the meeting had gone well and was informative.

President Newlin stated that the deans did a very good job.

**TUITION POLICIES AND PROPOSED RATES.** The Board Office recommended that the Board give preliminary consideration to proposed 1999-2000 academic year tuition rates and mandatory fees, effective with the summer session 1999. The Board Office recommended a 5.2 percent increase in base tuition and fees and recommended the

tuition surcharges proposed by the University of Iowa for the Colleges of Law and Dentistry which are above the proposed tuition rates. The funds generated by the surcharges are to be kept in the respective colleges.

The details of the proposed tuition recommendations were as follows:

- a. Increase all base tuition categories at the University of Iowa, Iowa State University, and the University of Northern Iowa by 3.2 percent to maintain quality and effectiveness and by 2.0 percent to improve quality to achieve the aspirations of the Board's strategic planning goals of excellence.
- b. In addition to the above base tuition increases:
  1. Increase the resident Law tuition at the University of Iowa by a \$300 surcharge and nonresident tuition by a \$500 surcharge in line with the college's strategic planning goals related both to classroom instruction and student research projects.
  2. Establish a \$1,000 surcharge per academic year for fourth year resident and nonresident University of Iowa Dentistry students, which expands the surcharge previously established by the Board for students in their first three years of study in dentistry.

- c. Establish mandatory computer fees for the 1999-2000 academic year as follows:

		Actual 1998-99	Proposed 1999-2000
SUI	All students except Business Administration, Law, and Engineering students	\$102	\$106
	Law students	170	180
	Business Administration students	340	350
	Engineering students	340	350
ISU	All students except Engineering, Computer Science and Management Information Systems students	98	102
	Engineering students	334	338
	Computer Science & Management Information Systems students	262	266
UNI	All students	100	104

- d. Establish student health fees for the 1999-2000 academic year as follows:

	Actual 1998-99	Proposed 1999-2000	% Increase
SUI	\$90	\$ 96	6.7%
ISU	94	100	6.4%
UNI	94	98	4.3%

- e. Increase the general institutional financial aid for students at the same rate as the proposed increase in tuition and mandatory fees to maintain access for those having financial need to attend the universities.
- f. Schedule final action on the proposed tuition and mandatory fees rates for the October Board meeting.
- g. Receive a report from the University of Iowa concerning establishment of a differential tuition for its College of Engineering students.
- h. Defer consideration on the University of Iowa's proposal for off-campus tuition rates for MBA and RN-BSN Completion Program students until, at least, receipt by the Board of the comprehensive report on distance education in October.

*ALLOCATION OF INCREASES FROM TUITION AND FEES REVENUES*

The estimated gross revenues from the proposed increases in tuition rates are \$12.3 million. After tuition aid set aside, the net tuition revenues generated from the proposed tuition increase and surcharges are estimated to be \$10.5 million.

The Board Office recommended that the universities allocate a proportional share of the proposed tuition increases for student financial aid to maintain access for needy students by offsetting the increases in tuition rates.

The revenues from tuition and fees increases are to be utilized to maintain and improve quality. After financial aid set aside, net revenues are to be utilized to meet the unavoidable and nondiscretionary rising costs of maintaining programs. In striving to achieve the Board's aspirations of excellence, the universities will use the revenues to improve the quality of undergraduate and graduate education for students, enhance student academic programs, expand student support services, and provide other enrichments to students' educational experiences.

*RATIONALE FOR INCREASES IN TUITION AND FEE RATES*

The fundamental reasons for increasing the rates in tuition and mandatory fees are, as mentioned above, to keep pace with inflation as measured by HEPI and to support aspirations for excellence as outlined in the Board's strategic plan. A number of specific reasons are listed above in the "Allocation of Increases" section and in the "Uses of Tuition Proceeds" section.

The recommended increase of 5.2 percent utilizes a HEPI rate of 3.2 percent and a quality factor of 2.0 percent. The projected range for the FY 1999-2000 Higher Education Price Index is 2.0 percent to 3.3 percent. The 3.2 percent recommended rate is within the projected HEPI range.

The 2.0 percent quality factor is consistent with the rate of reallocations required of the institutions by the Board each year to achieve quality in their strategic plans. This reallocation factor provides one benchmark during this initial year of the Board's new tuition policy. The Board Office does not intend this benchmark to be an exclusive factor with respect to future application of the Board's tuition policy. In fact, some flexibility in this area is essential for the Board as it addresses quality and improvement in the strategic plans.

The Governor and legislature have provided increases in general university appropriations to the Regents averaging 5.4 percent over the last four years in support of strengthening public higher education in the state of Iowa. The Regent tuition increases have averaged just less than 3.9 percent for the same period. Tuition revenues, as a percentage of total general university revenues, have been decreasing over this period.

The recommended tuition increase is less than the projected increase of 6.5 percent in Iowa per capita personal income for the year 2000. Over the last several years, the Regent tuition increases have lagged behind the Iowa as well as the national per capita income increases.

Other mandatory fees include computer, health, and health facility fees. Each of the universities proposed increases to the computer fees ranging from 1.2 percent to 5.9 percent and health fees ranging from 4.3 percent to 6.7 percent. The proposed increases in computer and health fees were recommended to meet the growing demands and rising costs. No changes in the health facility fees were proposed.

The FY 1998-1999 tuition and fees were among the lowest in each university's respective peer group of comparable institutions. The Regent tuition and fees as a percentage of Iowa's per capita income (11.9 percent) are less than the percentages for regional states and the national average (13.7 percent).

As noted in the Annual Student Aid Report which was reviewed earlier in the meeting, the outlook for federal student aid is optimistic.

The estimated cost of attending the Regent universities, including proposed tuition and fees, room and board, and other costs is projected to average \$10,525 for the 1999-2000 academic year.

#### DETAILS OF RATIONALE FOR INCREASES:

The mission of the Iowa Board of Regents calls for its institutions "to become the best enterprise of public education in the United States through the unique teaching, research and outreach programs established for each university and school."

In December of 1997, the Board adopted a new tuition policy consistent with its mission and strategic plan; this new policy assures predictability in establishing rates but also provides the Board with some flexibility in setting rates.

The Board's new tuition policy is intended to maintain quality and effectiveness as well as improve quality, thereby recognizing the aspirations of the Board and the institutions for achieving excellence.

Critical to the successful implementation of the Board's strategic plan is securing sufficient resources.

Funding of the general education costs at the Regent universities consists of multiple sources including state appropriations (65.3 percent), tuition and fees (29.8 percent), federal support and indirect cost reimbursements, and other sources (4.9 percent) for FY 1999.

The annual establishment of tuition and fees provides the universities with an important component of overall educational resources - the component that shares the cost of higher education with the students.

Tuition rates are to be set annually by the Board, in part, to keep pace with the Higher Education Price Index (HEPI). HEPI measures "the average relative level in the prices of a fixed market basket of goods and services purchased by colleges and universities through current fund educational and general expenditures excluding expenditures for research." In measuring the national average prices, HEPI reflects the purchase of available state-of-the-art services and typical quality goods normally employed by colleges and universities, on an historical basis.

Since the Board determines tuition increases well in advance of the actual expenditure of funds, the Board utilizes HEPI projections which are based on analyses prepared by the Institute for Economic Research at the University of Iowa.

The Board of Regents is committed to improving quality and pursuing excellence. To achieve desired quality and excellence as outlined in the Board and institutional strategic plans, it is necessary for the Board to assure that the funding base is diverse and consistent with the Board's aspirations of becoming the best public education enterprise in the United States.

The Regent universities provide teaching, research, and services for more than 55,000 students and 2.9 million Iowans; the impact of a four-year degree on lifetime earnings is substantial.

In May 1996, the Board of Regents approved a five-year program of reallocations averaging 2 percent per year as one means to support strategic planning initiatives to improve quality and pursue excellence. These reallocations have been utilized by the institutions to provide greater efficiency and effectiveness toward achievement of the institutional strategic plans by providing a structured means to strengthen good programs and eliminate weak programs.

The Governor and legislature have demonstrated their commitment to maintaining and improving quality in the Regent universities as evidenced by an average increase of 5.4 percent over the last four years. Resources are needed for student academic and support services such as classroom improvements, instructional equipment, experiential learning opportunities, and increased student access.

*COMPARATIVE TUITION INFORMATION*

*Peer Group Comparisons: Actual Tuition and Fees*

Resident undergraduate tuition and fees at the Regent universities are generally well below the median and average tuition and fees of their established peer university comparison groups as well as the average for 25 Iowa independent colleges and universities:

Regent Universities Tuition and Fees  
Compared to Summaries of Peer Group Tuition and Fees  
One-Year and Five-Year Data

	1998-99		1993-94	
	Resident Undergraduate Tuition & Fees	Regent \$ Diff. From Median/Aver.	Regent Tuition As % of Median/Aver.	Regent Tuition As % of Median/Aver.
<u>University of Iowa</u>	\$ 2,868			
SUI Peer Group Average *	\$ 3,841	-\$ 973	74.7%	81.2%
SUI Peer Group Median *	\$ 3,885	-\$ 1,017	73.8%	79.4%
<u>Iowa State University</u>	\$ 2,874			
ISU Land Grant Group Average *	\$ 3,686	-\$ 812	78.0%	84.3%
ISU Land Grant Group Median *	\$ 3,735	-\$ 861	76.9%	83.5%
<u>University of Northern Iowa</u>	\$ 2,860			
UNI Pub. Comp. U. Group Average *	\$ 3,144	-\$ 281	91.0%	99.6%
UNI Pub. Comp. U. Group Median *	\$ 3,167	-\$ 246	90.3%	100.3%
25 Iowa Independent College and University Average	\$13,536	-\$10,081	21.2%	21.9%

\* Averages and medians exclude Regent institutions  
Average is the arithmetic mean of the peer group tuition and fees.  
Median is the number in the middle of the set of peer group tuition and fee amounts, with half the numbers above the median and half the numbers below the median.



The gap between the Regent tuition and the median and averages of the respective peer groups continues to widen. Five years ago, the University of Iowa's tuition and fees represented 81.2 percent of the average and 79.4 percent of the median tuition of its comparable universities; the most recent 1998-99 tuition is 74.7 percent of the average and 73.8 percent of the median.

Iowa State University's percentages of the peer land grant universities group averages and medians have also decreased; Iowa State University tuition for 1993-94 was 84.3 percent of the average and 83.5 percent of the median as compared to the 1998-99 percentages of 78.0 percent of the average and 76.9 percent of the median.

The University of Northern Iowa percentages as compared to its peer group for 1993-94 were 99.6 percent of the average and 100.4 percent of the median; the 1998-99 percentages are 91.0 percent of average and 90.3 percent of the median.

### *Peer Group Comparisons: Tuition and Fee Increases*

Undergraduate Resident Tuition and Fees Increases  
One-Year and Five-Year Data

	<u>1 Year</u>		<u>5 Year</u>	
	% Increase 97-98 to 98-99	\$ Increase 97-98 to 98-99	% Increase 93-94 to 98-99	\$ Increase 93-94 to 98-99
<u>University of Iowa</u>	3.9%	\$108	21.9%	\$516
SUI Peer Group Average*	3.3%	120	35.9%	946
SUI Peer Group Median*	4.3%	139	33.5%	1,007
<u>Iowa State University</u>	3.9%	\$108	22.2%	\$522
ISU Land Grant Group Average*	3.9%	119	38.0%	896
ISU Land Grant Group Median*	4.9%	137	32.5%	918
<u>University of Northern Iowa</u>	3.9%	\$108	21.6%	\$508
UNI Pub. Comp. U. Group Average*	6.1%	146	34.6%	783
UNI Pub. Comp. U. Group Median*	4.4%	114	29.8%	812
25 Iowa Independent College Aver.	5.4%	\$696	26.3%	\$2,820

\* Averages and medians exclude Regent institutions

As shown in the above table, increases in Regent resident undergraduate tuition and fees during the past 5 years have been significantly less than the increases in the median and average tuition and fees of the peer university comparison groups.

The one-year dollar increase for the 1998-99 academic year in the University of Iowa tuition and mandatory fees was 89.7 percent of the average and 78.0 percent of the median of its peer universities' tuition and mandatory fees; the five-year dollar increase was only 54.5 percent of the peer group average and 51.2 percent of the median.

Iowa State University's one-year dollar increase for the 1998-99 academic year in the tuition and mandatory fees was 90.8 percent of the average and 79.1 percent of the median of its peer land grant comparison group tuition and mandatory fees; the five-year dollar increase was only 58.3 percent of the peer group average and 56.9 percent of the median.

The one-year dollar increase for the 1998-99 academic year in the University of Northern Iowa tuition and mandatory fees was 73.8 percent of the average and 94.7 percent of the

median of its peer universities' tuition and mandatory fees; the five-year dollar increase was 64.9 percent of the peer group average and 62.6 percent of the median.

The Regent tuition increases for the one- and five-year periods were well below both the percentage increases and the dollar increases of the independent colleges in Iowa.

*National Comparisons: Averages of Tuition and Fees for Public Universities*

Resident Undergraduate Tuition and Fees  
Regent Averages Compared to National Averages

	<u>1997-98</u>	<u>1992-93</u>	<u>1988-89</u>
Regent Averages - Tuition and Fees	\$2,759	\$2,228	\$1,706
National Averages - Tuition and Fees	\$3,515	\$2,632	\$1,830
Regent as % of National	78.5%	84.7%	93.2%

The national average resident undergraduate tuition and fees have grown at a substantially higher rate than Regent tuition over the last 10 years.

The Iowa resident undergraduate tuition and fees as a percentage of the national average, as reported in the annual study by the Washington State Higher Education Coordinating Board, have declined each year since 1988-89; in that year, Regent tuition and fees were 93.2 percent of the national average. The 1992-93 Regent tuition and fees of \$2,228 were 84.7 percent of the national average of \$2,632.

National averages for 1998-99 are not yet available, but the average 1997-98 Regent resident undergraduate tuition and fees of \$2,759 were 78.5 percent of the national average of \$3,515 for public universities.

*INCOME COMPARISONS*

*Overall Personal Income Growth*

The Institute for Economic Research at the University of Iowa, in consultation with the Iowa Economic Forecasting Council, publishes predictions quarterly relative to various sectors of Iowa's economy. Part of that publication includes national predictions of the Blue Chip Economic Indicators, which uses the consensus of fifty-one national forecasters surveyed on a regular basis.

According to the Institute for Economic Research, Iowa personal income is predicted to grow 5.6 percent in 1998 while the *Blue Chip Economic Indicators'* forecast for national disposable personal income growth is 3.8 percent.

For 1999, the Iowa forecast is stronger with a 6.3 percent increase expected as compared to the national average percentage of 2.6 percent.

*Per Capita Personal Income Growth*

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
US Average	N/A	N/A	N/A	4.8%	4.7%
Iowa	6.5%*	6.7%*	5.8%*	3.5%	7.2%
Regent Tuition Increases	**	3.9%	3.9%	3.5%	4.1%

Sources: US Department of Commerce, Survey of Current Business, May 1998  
 Institute for Economic Research, Iowa Economic Forecast, June 1998

\* - Estimates

\*\* - The 1999-2000 recommended increase is 5.2%, which reflects the Board's policy.

Per capita personal income growth projections for Iowa are derived from the forecast information published by the Institute for Economic Research.

The average annual increase in Iowa per capita income over the five years is 5.9 percent while the average annual Regent tuition increase, including the recommended 5.2 percent increase, would be 4.1 percent.

The Regent tuition increases are well behind the Iowa per capita income growth increases and are lagging the national average per capita increases. Iowa's per capita personal income of \$23,102 in 1997 ranked 32nd in the nation; the per capita income was 90.2 percent of the national average of \$25,598. The per capita income growth projections are slightly higher than the expected growth in Iowa's personal income because of the forecasted Iowa population.

### *Per Capita Income in Relation to Tuition and Fees*

The following table lists the 10 states represented in the Regent universities peer comparison groups, along with other states contiguous to Iowa and shows the average public university resident undergraduate tuition and fees charged in each state as a percentage of each state's per capita personal income.

*Tuition and Fees as a Percentage of Per Capita Personal Income*

	1997	1996	1995	1994	1993	1992	1991	1990	1989
IOWA	11.9%	11.8%	12.3%	12.2%	12.7%	12.1%	11.9%	11.4%	11.7%
Arizona	9.2%	9.4%	9.6%	9.8%	10.0%	9.0%	9.3%	9.5%	9.3%
California	16.4%	17.2%	18.0%	18.9%	17.6%	14.6%	12.5%	9.7%	8.5%
Illinois	15.6%	15.6%	15.6%	15.3%	15.1%	15.5%	15.1%	14.8%	15.4%
Indiana	16.6%	16.7%	16.5%	16.2%	14.5%	14.3%	14.1%	13.2%	12.3%
Michigan	23.0%	23.2%	23.3%	24.4%	24.3%	23.0%	21.2%	20.2%	19.3%
Minnesota	16.9%	17.3%	17.2%	15.7%	16.0%	15.7%	14.7%	14.5%	14.2%
Missouri	17.8%	17.9%	17.2%	16.4%	15.7%	14.5%	13.8%	11.9%	11.5%
Nebraska	11.6%	11.5%	11.9%	11.8%	11.5%	11.0%	11.3%	11.0%	11.3%
North Carolina	9.3%	9.5%	7.8%	7.6%	7.4%	6.8%	7.1%	6.5%	6.5%
Ohio	14.8%	14.8%	14.5%	14.4%	14.4%	14.3%	13.8%	13.4%	13.2%
South Dakota	13.2%	13.1%	13.9%	13.4%	12.3%	12.1%	12.2%	12.0%	12.8%
Texas	13.9%	14.2%	11.2%	8.4%	7.6%	7.5%	7.1%	6.0%	6.2%
Wisconsin	13.2%	13.0%	12.8%	12.9%	12.5%	12.0%	11.9%	12.1%	12.2%
NATIONAL AVERAGE	13.7%	13.8%	13.6%	13.6%	13.3%	12.8%	12.3%	11.6%	11.1%

Source: Washington State Higher Education coordinating Board, State Tuition and Fee Rates, 1997-98  
 US Department of Commerce, Survey of Current Business, May 1998

Tuition and fees as a percentage of per capita personal income should decline in Iowa with the proposed 1999-2000 tuition and fees and the projected increases in per capita personal income for calendar year 1999. Regent tuition and fees as a percentage of Iowa per capita personal income are less than the percentages of most other Midwestern states and the nation as a whole.

### *TUITION AND FEES AS RELATED TO COSTS*

#### *Unit Cost of Instruction Comparisons*

On a biennial basis, the Regent universities compile information regarding the cost of instruction per student ("unit cost"); the most recent unit cost study covered FY 1997 and was presented to the Board in June 1998. Unit cost represents the general fund supported cost of instruction of a full-time equivalent student at a given level and is calculated making certain assumptions relative to attribution of instruction costs to the various student levels (i.e. lower division undergraduates, upper division undergraduates, graduate, professional).

Costs such as building repairs, public service, scholarships and fellowships, auxiliary enterprises, health care units, indirect cost recovery, and capitals have been excluded from the unit cost calculations. The FY 1999 unit cost estimates are based on FY 1997 unit cost data adjusted for general fund budgets increases and enrollment changes.

It has been Board policy that nonresident students pay, at a minimum, the full cost of their education at Regent universities.

The following tables compare Regent resident and nonresident undergraduate tuition and mandatory fees, estimated unit costs of instruction for FY 1999 prepared by the Board Office, and actual unit costs from the biennial reports covering FY 1997, FY 1995, FY 1993, and FY 1991.

University of Iowa	Change FY 1991 - FY 99	FY 1999	FY 1997	FY 1995	FY 1993	FY 1991
Resident Undergrad. Tuit. & Fees % Increase	51.0%	\$2,868 8.4%	\$2,646 8.4%	\$2,455 10.2%	\$2,228 17.3%	\$1,900
Nonres. Undergrad. Tuit. & Fees % Increase	60.1%	\$9,990 8.1%	\$9,244 11.2%	\$8,313 15.6%	\$7,192 15.3%	\$6,240
Undergraduate Unit Costs % Increase	38.4%*	\$7,929* 10.2%	\$7,199 5.1%	\$6,850 12.9%	\$6,069 5.9%	\$5,731
University Composite Unit Costs % Increase	44.6%*	\$13,273* 12.9%	\$11,764 8.6%	\$10,836 12.0%	\$9,676 5.4%	\$9,179

Iowa State University	Change FY 1991 - FY 99	FY 1999	FY 1997	FY 1995	FY 1993	FY 1991
Resident Undergrad. Tuit. & Fees % Increase	51.3%	\$2,874 7.8%	\$2,666 7.9%	\$2,471 10.9%	\$2,228 17.3%	\$1,900
Nonres. Undergrad. Tuit. & Fees % Increase	31.9%	\$9,152 8.0%	\$8,480 15.7%	\$7,731 10.5%	\$6,996 13.2%	\$6,180
Undergraduate Unit Costs % Increase	23.3%*	\$8,152* 6.9%*	\$7,626 8.2%	\$7,048 8.3%	\$6,509 -1.6%	\$6,612
University Composite Unit Costs % Increase	28.6%*	\$9,853* 10.3%*	\$8,936 8.8%	\$8,211 8.2%	\$7,592 -0.9%	\$7,662

University of Northern Iowa	Change FY 1991 to FY 99	FY 1999	FY 1997	FY 1995	FY 1993	FY 1991
Resident Undergrad. Tuit. & Fees % Increase	50.6%	\$2,860 8.0%	\$2,650 7.9%	\$2,455 10.2%	\$2,228 17.3%	\$1,900
Nonres. Undergrad. Tuit. & Fees % Increase	54.2%	\$7,415 8.0%	\$6,868 9.7%	\$6,261 12.4%	\$5,570 15.8%	\$4,810
Undergraduate Unit Costs % Increase	46.8%*	\$7,632* 8.4%	\$7,045 7.9%	\$6,530 9.6%	\$5,956 14.6%	\$5,199
University Composite Unit Costs % Increase	50.7%*	\$8,392* 11.0%*	\$7,566 7.9%	\$7,012 9.8%	\$6,388 14.7%	\$5,571

### General University Comparisons

Since FY 1995 base tuition rate increases have averaged 4.0 percent; general university costs have increased by an average of 4.7 percent.

For FY 1998 and FY 1999 base tuition rate increases (3.9 percent each year) were significantly less than the increase in the general university expenditures (5.2 percent and 4.6 percent). (FY 1999 increase is the budgeted amount.)

### Rates of Growth in General University Cost COMPARED TO INCREASES IN BASE TUITION RATES

	University of Iowa	Iowa State University	University of Northern Iowa	All Universities	Base Tuition Increase
1994-95	5.0%	2.5%	3.3%	3.8%	4.5%
1995-96	5.0%	4.3%	5.8%	4.9%	4.1%
1996-97	5.0%	4.4%	5.2%	4.8%	3.5%
1997-98	5.5%	5.3%	4.2%	5.2%	3.9%
1998-99*	4.8%	4.1%	5.3%	4.6%	3.9%
Aver. Inc.	5.1%	4.1%	4.8%	4.7%	4.0%

\* Budgeted

In 1998-99, the percentage of general university expenditures met through tuition income is expected to decline at all three universities and overall.

Percentage of General University Revenue  
Met Through Tuition Income

	University of Iowa	Iowa State University	University of Northern Iowa	Regent Combined Total
1994-95	30.3%	32.0%	27.6%	30.5%
1995-96	30.3%	31.5%	27.8%	30.3%
1996-97	30.3%	31.4%	27.3%	30.2%
1997-98	30.1%	31.2%	27.6%	30.1%
1998-99*	29.8%	31.0%	26.9%	29.8%

\* Budgeted

General university revenues are comprised of state appropriations, tuition, federal support, interest, indirect cost reimbursements, sales and services receipts, and other revenues; these revenues are unrestricted and provide funding for the general education of students.

As indicated in the above table, the percent of tuition revenue to total general university revenue has been decreasing over the last several years; students have been paying less of the educational costs.

*TUITION AND MANDATORY FEES*

*Resident Students*

The recommendations for resident undergraduate base tuition and fees plus mandatory fees (computer, health, and health facility fees) for 1999-2000 were as follows:

	Base Tuition and Fees	Mandatory Fees	Total Tuition and Fees	Percentage Increase	Dollar Increase
SUI	\$2,806	\$212	\$3,018	5.2%	\$150
ISU	\$2,806	\$218	\$3,024	5.2%	\$150
UNI	\$2,806	\$202	\$3,008	5.2%	\$148

\* Dollar costs and increases for students majoring in Business Administration, Engineering, and Pharmacy at SUI and dollar costs for students majoring in Engineering, Computer Science, and Management Information Systems at ISU are slightly higher.

A larger increase in total tuition and fees for Law at the University of Iowa of 9.9 percent is recommended to continue multi-year programs to raise tuition levels related both to classroom instruction and student research projects.

An increase of 21.1 percent (\$1,328) in total tuition and fees for residents is recommended for fourth year dental students; increased funds above the basic increase will expand the surcharge established in prior years.

*Nonresident Students*

The recommendations for nonresident undergraduate base tuition and fees plus mandatory fees for 1999-2000 were as follows:

	Base Tuition and Fees	Mandatory Fees	Total Tuition and Fees	Percentage Increase	Dollar Increase
SUI	\$10,298	\$212	\$10,510	5.2%	\$520
ISU	\$ 9,410	\$218	\$ 9,628	5.2%	\$476
UNI	\$ 7,596	\$202	\$ 7,798	5.2%	\$383

\* Dollar costs and increases for students majoring in Business Administration, Engineering, and Pharmacy at SUI and dollar costs for students majoring in Engineering, Computer Science and Management Information Systems at ISU are slightly higher.

A larger increase in nonresident total tuition and fees for Law at the University of Iowa of 8.3 percent was recommended to continue multi-year programs to raise tuition levels related both to classroom instruction and student research projects.

An increase of 10.4 percent (\$1,992) in total tuition and fees for nonresidents was recommended for fourth-year dental students; increased funds above the basic increase will expand the phased surcharge established in prior years.

#### *INCREASES IN LAW TUITION AT THE UNIVERSITY OF IOWA*

Surcharge funding for the College of Law supports the college's strategic planning goals related to improving student-centered and professional activities.

The Board Office recommended increasing resident Law tuition by the base increase plus a \$300 surcharge, and increasing nonresident Law tuition by the base increase plus a \$500 surcharge.

The increased surcharge funding, net of the student financial aid set aside, will produce revenues of \$220,000 for the advancement of the College of Law's strategic planning goals by:

- Creating, implementing and directing a program of support activities to serve the needs of students who are experiencing academic difficulty in the study of Law;
- Hiring a new tenure-track faculty member who specializes in family law and domestic relations; and
- Funding ten student research assistants.

The total recommended percentage increase in base tuition and fees for Law is 9.7 percent for residents and 8.1 percent for nonresidents.

This will be the seventh of eight years that the Law tuition has been raised by a base increase plus a surcharge; each year the surcharge is added to the base.

Despite the increases of the last several years, the 1998-1999 resident Law tuition and fees are less than the average tuition of its comparable universities by more than \$1,600 while the nonresident Law tuition and fees is below the average.

University of Iowa officials do not expect the competitive position of the College of Law to be affected by the increases.

#### *INCREASES IN DENTISTRY TUITION AT THE UNIVERSITY OF IOWA*

During the tuition discussions for FY 1997-98, the University of Iowa originally proposed a three-year phased tuition surcharge program of \$1,000 per undergraduate dentistry student and \$500 for graduate students.

Under the proposal, the tuition surcharge would be assessed to first and second year students in FY 1998, third-year students in FY 1999, and fourth year and graduate students in FY 2000.

The tuition surcharge is to provide a revenue stream that is constant and dependable to support the College's facility renovation, a simulation clinic, teaching laboratory improvements, and equipment replacement over the next decade and beyond.

Funding will also be used to acquaint dental graduates with new technology, modern facilities, and the concept of life-long learning through computer and information technology advances.

University officials proposed to phase in the \$1,000 surcharge for the fourth year dentistry students but postpone the graduate surcharge of \$500 until FY 2001.

The additional funding generated from the dentistry surcharge for FY 1999-2000 will be approximately \$58,800 net of student financial aid set aside.

Dentistry resident tuition and fees at the University of Iowa are second lowest among the universities in the University of Iowa's comparison group of those universities offering dentistry and are almost \$3,000 lower than the average.

University of Iowa officials expect the College of Dentistry to remain competitive with its peer dental schools after the increase.

*TUITION REVENUES BASED ON PROPOSED 1999-2000 TUITION RATES*

Assuming enrollments at the projected fall 1998 level, the estimated increases in gross tuition revenues for 1999-2000 with the recommended tuition increases were as follows:

*Gross Tuition Proceeds from Increases*

	University of Iowa	Iowa State University	University of Northern Iowa	Total
Basic % Increase	\$5,764,000	\$4,585,000	\$1,645,000	\$11,994,000
SUI Law Surcharge	262,000	0	0	262,000
SUI Dentistry Surcharge	70,000	0	0	70,000
<b>TOTALS</b>	<b>\$6,096,000</b>	<b>\$4,585,000</b>	<b>\$1,645,000</b>	<b>\$12,326,000</b>

The Board Office recommended that general institutional financial aid for students be increased at the same rate as the proposed increase in tuition and mandatory fees to offset the impact on students now receiving institutional financial aid.

The estimated increases in the *student financial aid set aside* for 1999-2000 were:

University of Iowa	\$ 975,000
Iowa State University	504,000
University of Northern Iowa	319,000
<b>Total</b>	<b>\$1,798,000</b>

The estimated increases in net tuition revenues after deducting the student financial aid set aside were as follows:

*Net Tuition Proceeds*

	University of Iowa	Iowa State University	University of Northern Iowa	Total
Basic % Increase	\$4,842,200	\$4,081,000	\$1,326,000	\$10,249,200
SUI Law Surcharge	220,000	0	0	220,000
SUI Dentistry Surcharge	58,800	0	0	58,800
<b>TOTALS</b>	<b>\$5,121,000</b>	<b>\$4,081,000</b>	<b>\$1,326,000</b>	<b>\$10,528,000</b>



## USE OF TUITION PROCEEDS

### University of Iowa

General tuition proceeds will be used to advance the strategic vision of the university by:

- Maintaining the student aid percentages commensurate with the overall tuition increase;
- Committing earmarked tuition in the specific described manner (Law and Dentistry);
- Applying tuition attributable to enrollment increase to the cost of serving additional students, including adequate course sections, academic counseling services, and other requirements; and
- Funding non-discretionary costs of maintaining programs as well as a series of investment opportunities that would advance the university and enrich the experience of students including:
  - Classroom improvements and management and instructional equipment;
  - Next generation faculty; selected recreational improvements, and common gathering places furnishings;
  - Educational support counselors and library system conversion;
  - Experiential learning opportunities/placement, student internships, externships, and international study;
  - Student disability accommodations; and
  - New opportunities for women's athletics.

College of Law surcharge (for student-centered improvements and professional activities) will fund the addition of a computer technician, academic support specialist, secretarial support, a coordinator for special events and student activities, and a legal clinical supervisor.

College of Dentistry surcharge will continue funding to construct a simulation clinic and provide teaching laboratory improvements as well as equipment upgrading and replacement.

### Iowa State University

Tuition proceeds will be used for:

- Increased student financial aid;
- Unavoidable inflationary and other mandatory cost increases not supported with state appropriations;
- Library acquisitions and services;

- Enhancement of other focused programs such as learning communities;
- Enrollment based allocation directed towards increased instruction in support of the Regents' four year graduation plan;
- Study-abroad programs;
- Additional graduate assistantships to enhance research, strengthen undergraduate teaching, and broaden financial support to graduate students; and
- Computing and information technology as well as instructional facilities and equipment to enhance Iowa State University's continuing initiatives in classroom and laboratory upgrading.

### University of Northern Iowa

Tuition proceeds will be used to:

- Continue the provision of financial aid for students;
- Meet unavoidable cost increases, including the areas of instructional materials, equipment, supplies and services, and utilities;
- Improve the quality of education for students, including:
  - Addition of new faculty to support selected areas of high enrollment growth;
  - Increased academic and advising support for first year students to improve retention;
  - Support for guest speakers and lecturers to enhance academic and intellectual vitality;
  - Expand placement and career services for students.

Student input has been solicited; student government is planning to conduct a survey to determine priorities, the results of which will be considered as final decisions are made in the allocation of tuition income.

#### *MANDATORY FEES*

##### *Computer Fees*

The mandatory computer fee has and continues to serve the purpose for which it was established, providing a distinct resource to respond to computer infrastructure and technology needs to support instructional initiatives and programs.

Significantly more resources have been devoted to computer needs than prior to the initiation of the fee.

The fee increases cover costs due to inflation, remove the need for larger, extraordinary increases in the future, and continue to meet the growing demands and rising

expectations of accrediting agencies, faculty, and students for expanded, state-of-the-art instructional computing resources.

Earmarked funds permit the institutions to plan programs and regular upgrades to sustain and improve technology based learning environments.

Business Administration, Engineering, and Law students at the University of Iowa and Engineering, and Computer Science, and Management Information Systems students at Iowa State University currently pay higher mandatory computer fees than other students.

The Board Office recommended the following computer fees for the 1999-2000 academic year:

*Computer Fees*

		1998-99 Academic Year Rate	Proposed 1999- 2000 Academic Year Rate	% Incr.
SUI	All students except Business Administration, Law, and Engineering students	\$102	\$106	3.9%
	Law students	170	180	5.9%
	Business Administration students	340	350	2.9%
	Engineering students	340	350	2.9%
ISU	All students except Engineering, Computer Science and Management Information Systems students	98	102	4.1%
	Engineering students	334	338	1.2%
	Computer Science and Management Information Systems students	262	266	1.5%
UNI	All students	100	104	4.0%

Assuming stable enrollments, the estimated 1999-2000 revenues from the recommended computer fees were:

*Computer Fee Revenues*

	Estimated 1999-2000 <u>Gross Revenues</u>	Estimated Increase <u>From 1998-99</u>
University of Iowa	\$3,210,000	\$120,000
Iowa State University	\$3,432,000	\$ 88,000
University of Northern Iowa	<u>\$1,196,000</u>	<u>\$ 46,000</u>
TOTAL	\$7,838,000	\$254,000

*Student Health Fees*

The Board Office recommended the following student health fees for the 1999-2000 academic year:

*Student Health Fees*

	1998-99 Academic <u>Year Rate</u>	Proposed 1999- 2000 Academic <u>Year Rate</u>	Dollar <u>Increase</u>	% <u>Increase</u>
University of Iowa	\$90	\$ 96	\$6	6.7%
Iowa State University	94	100	6	6.4%
University of Northern Iowa	94	98	4	4.3%

The Board Office recommended the increase to cover increased costs due to inflation and to remove the need for larger, extraordinary increases in the future.

Assuming stable enrollments, the estimated revenues from the recommended 1999-2000 student health fees were as follows:

*Student Health Fee Revenues*

	Estimated 1999-2000 <u>Gross Revenues</u>	Estimated Increase <u>From 1998-99</u>
University of Iowa	\$3,010,000	\$144,000
Iowa State University	2,566,000	189,000
University of Northern Iowa	<u>1,115,000</u>	<u>45,000</u>
TOTAL	\$6,691,000	\$378,000

*Student Health Facility Fee*

No increases were proposed or recommended for the 1999-2000 academic year mandatory student health facility fee.

*STUDENT FINANCIAL AID CONSIDERATIONS*

The universities, during recent years, have made significant efforts to increase student financial aid from institutional and private sources to help ensure affordability.

In 1997-98 over 53,000 awards were given as grants; these totaled over \$100 million; those grants provided by institutional funds totaled over \$38 million (20,000 awards). Institutional funds at the universities from private sources provided long-term loans of \$1,548,000 for 1997-98.

Institutional employment in the form of graduate, teaching, and research assistants totaled approximately \$69 million and included almost 5,600 awards.

Total student financial assistance for 1997-98 from all sources was \$436 million and encompassed approximately 146,000 awards.

Federal student aid policy for federal FY 1998 provides increased support including a maximum Pell grant award of \$3,000 per academic year; Pell funding for 1997-98 totaled \$17.8 million for almost 11,400 awards.

*ESTIMATED TOTAL COST OF ATTENDING REGENT UNIVERSITIES*

The Iowa Code requires that the estimated total cost of attending the Regent universities, including room and board and other costs, be published in a docket memorandum along with the final approved tuition and mandatory fees.

The Regent residence systems and financial aid offices have provided the following estimated 1999-2000 room and board charges and other costs associated with attending the Regent universities:

	Resident Undergrad. <u>Tuition and Fees*</u>	Room and <u>Board**</u>	Other <u>Costs**</u>	Estimated <u>Total Costs**</u>
University of Iowa	\$3,018	\$4,187	\$3,605	\$10,810
% Increase	5.2%	5.0%	2.5%	4.2%
Iowa State University	\$3,024	\$4,101	\$3,295	\$10,420
% Increase	5.2%	4.6%	2.8%	4.2%
University of Northern Iowa	\$3,008	\$3,932	\$3,404	\$10,344
% Increase	5.2%	8.5%	2.3%	5.4%

\* Proposed  
\*\* Estimated

Actual room and board rates are set in the spring when the effects of such variables as labor contracts, occupancy rates, and the costs for food, utilities, and repairs are better known. Other costs include the universities' estimates of student costs for books, supplies, transportation, and personal expenses.

#### *UNIVERSITY OF IOWA REQUESTED INCREASE FOR ENGINEERING STUDENTS*

The University of Iowa is interested in establishing a differential tuition for engineering students and has suggested an increase in tuition to be phased in over a number of years; the first year increase would absorb the current engineering computer fee of \$340 and would increase tuition by another \$300 per year.

The funds would be earmarked to enhance the quality and breadth of the education and research programs of the College of Engineering.

For the 1998-1999 academic year, the tuition and fees for University of Iowa resident undergraduate engineering students is \$3,106; the average engineering tuition and fees in the University of Iowa's peer group of universities is \$3,998 and the median is \$3,720.

It has been a long-standing Board policy that undergraduate resident students pay the same tuition at each of the Regent universities, in part, so that tuition would not be an inhibiting factor for a student making a choice to attend one of the Regent universities.

University officials requested an opportunity to discuss this matter more fully with the Board at the September Board meeting.

The Board Office recommended that, at its September meeting, the Board receive a report from the university prior to any further consideration of the matter.

#### *OFF-CAMPUS TUITION*

University of Iowa officials are interested in establishing off-campus tuition rates for its distance education students. University officials seek tuition surcharges per credit hour for off-campus students enrolled in its evening MBA program and its RN-BSN completion program to render both programs self-supporting.

The University of Iowa proposal would, for the first time, create a differential tuition for resident students enrolled in off-campus programs served primarily through distance education technology.

The College of Business Administration MBA proposal would incorporate into the base tuition for the off-campus MBA program the technology delivery fee of \$75 per three credit hour course, which was approved by the Board in January 1998, and a \$29 per credit hour increase in each of the next three years.

The College of Nursing is proposing a tuition rate increase of \$38 per credit hour for the RN-BSN Completion Program beginning May 1999 to aid the university in fulfilling a statewide need for nursing education and career development in Iowa.

The comprehensive report on distance education is scheduled to be presented to the Board in October; to be included in this report are the incremental costs of distance education and other related items.

The Board Office recommended deferral of consideration of differential tuition rates for off-campus students, at least, until after the comprehensive report on distance education is presented to the Board in October.

President Newlin stated, as noted in the docket memorandum, the Board would consider tuition rates and fees for the 1999-2000 academic year. There would be discussion at this meeting. The Board will take final action at its meeting in October.

Executive Director Stork stated that the recommendations of the Board Office were before the Regents. He said the recommendations reflected the new tuition policy of the Board of Regents which was adopted in December 1997 to make tuition more compatible with the strategic plans of the Board and institutions. The new Board policy on tuition has two components: 1) to keep pace with inflation and 2) to provide resources to achieve quality and excellence. The Board Office recommendation reflected both components: a 3.2 percent increase for inflation plus a 2 percent increase for quality. He said the 2 percent was a benchmark to be used this year. The figure was based upon the same rate of reallocation that the Board requires of the institutions in their strategic plans to achieve quality and excellence. That was not the only benchmark, there could be others.

Executive Director Stork stated that total revenue from the proposed tuition and fee income was \$12.3 million. The first allocation was a proportional share for student aid.

With regard to rationale for the recommendations, Executive Director Stork stated that the two basic reasons were inflation and quality. He referred to the comparative information and data which had been provided in the docket memorandum. He emphasized that the Board Office did not take one indicator alone to support the recommendation. The intention was to give the Board a picture to measure affordability and reasonability of the recommendation. Three areas of comparative information were 1) peer groups, 2) income and economic indicators, and 3) cost of education.

Regent Fisher asked if each 1 percent increase in tuition would amount to a little over \$2 million. Executive Director Stork responded affirmatively.

Regent Pellett asked if the peer groups are always the same peer groups. Executive Director Stork responded that no, the peer groups being used today were arrived at, in part, because of discussions about tuition. Last year the Big 10 was used as an additional peer group for the University of Iowa.

Regent Kennedy said the Regents should also look at what percentage of the cost of education of those peer groups is covered by tuition. Executive Director Stork said that information was not shown in the docket materials. There is some information available that could be obtained in terms of state appropriations by state and by institution.

Regent Kennedy said it might be helpful to have that information.

President Newlin asked that the students make their presentations.

Bryan Burkhardt, President, Government of the Student Body, Iowa State University, thanked the Regents for allowing students to speak to the issue of tuition policy. He discussed Iowa State University students' reactions to the proposed tuition increase

including discrepancies of HEPI projections provided by the Institute for Economic Research and the proposed 2 percent quality factor. He stated that students were surveyed regarding the tuition proposal and the results would not be available until October. He cautioned that the Board not take too big a bite at once with regard to increasing tuition under the new tuition policy. He said too much too soon might be too much for students. He asked for a healthy compromise in this first year of the new policy. Financial aid is of extreme concern to students. He discussed the percent of tuition income that goes to student aid at each of the three universities as well as the maximum Pell grant award.

Mr. Burkhardt stated that the tuition increase last year was 3.9 percent. The average mean financial aid award at ISU only increased by .3 percent. He then discussed the state of Iowa's economy especially with regard to those in farming. Over 14 percent of students responding to a freshman survey said one or both parents work in farming or forestry.

Mr. Burkhardt addressed pricing issues and distance learning initiatives. He said he was proud that the Board was willing to expand opportunities to citizens of Iowa. Students support technology delivery fees. Students want to expand opportunities while maintaining affordability. With regard to differential tuition, he said many may believe that because they are paying more, they are receiving a better education. However, he expressed concern that differential tuition would impede the land grant mission of Iowa State University. It would cause a potential decrease in departmental budgets.

Mr. Burkhardt stated that not only is he the student body president, he is also co-chair of the George Washington Carver all-university steering committee. He said George Washington Carver exemplifies the land grant student. This year the general marketing theme is inspiring students to become the best -- the legacy of George Washington Carver. He said students are taking advantage of opportunities.

Regent Arenson said the Board Office made a recommendation that tuition increase by 5.2 percent. He asked if Mr. Burkhardt had a position on the number that students would propose to the Board regarding the increase in tuition.

Mr. Burkhardt responded that HEPI should be considered at 3 percent. With regard to the additional for quality, he stated that although students are in favor of supporting the strategic plan, 2 percent was too much to bite off at one time. He suggested that an additional  $\frac{1}{2}$  to 1 percent for quality would be supported by students. He believed that the additional \$48 increase was too high.

Regent Arenson asked if students see the return on the expenditures that would increase quality. Mr. Burkhardt said he could better respond to that question once the survey numbers are "crunched". With regard to the 4-year graduation plan, he said students believe it really needs to be evaluated. Why is so much money being directed toward that effort at Iowa State University? He believes the Board needs to work on quality and broader-based education instead of racing students through in four years. He said the 2 percent additional increase for quality was a little high because the original Pappas report recommended some staggered increase amounts.

Regent Lande asked what relevance the Iowa State University students thought there was to the comparison costs of tuition of peer group institutions. Mr. Burkhardt said he was very concerned about that. He said the entire package has to be looked at. If a student is able to get a high quality education at lower cost then quality is being achieved. He said it

was difficult to compare the peer institutions because their percentages rise for different reasons.

Matt Close, President of the University of Northern Iowa Student Government, stated that in late-April a tuition survey was performed to identify how students want their tuition income spent, whether students would be in favor of increasing tuition to reach their priorities, and what students feel is a fair tuition increase. The survey found that about one-half of the students were in favor of a tuition increase. He said 39.7 percent of the students who supported a tuition increase felt that a .2 percent to 3.9 percent would be a fair increase. 71.2 percent of students in favor of increasing tuition felt that an increase of 3.98-4.0 percent was fair. Only 7.5 percent of students in favor of a tuition increase felt that an increase of 5.2 percent or more was fair.

Mr. Close stated that the average tuition increase over the past 5 years was 3.98 percent. He said the students are divided. They understand that a tuition increase is inevitable; however, they would not want to see tuition raised above 4 percent.

Brian White, President, University of Iowa Student Government, thanked the Board for the opportunity to address the tuition proposal. He noted that Sarah Pettinger and Jon Wolseth would be assisting with the presentation. He stated that last year the Board of Regents requested that students share the results of the 1998 student survey regarding tuition. The survey indicated that 76.8 percent of the University of Iowa student body would not support a tuition increase to support the priority categories. He noted that student government representatives did not expect to see such a resounding opposition to a tuition increase. Students are unconvinced that a tuition increase would result in increased quality. Students are aware of the already high levels of excellence at the university.

As the elected representatives of the student body, Mr. White and his associates indicated that in order to support a tuition increase, students need to be assured that: 1) improvement in the levels of quality are needed, 2) increased tuition will translate to increased quality, and 3) increasing tuition above the rate of increase in the Higher Education Price Index is the best route to increase quality.

President Newlin thanked the students for their presentations.

President Coleman stated that the University of Iowa has a lofty aspiration – to be counted among the top 10 public institutions in the country. She said university officials are realistic about what it will take. University officials have reallocated aggressively. It is recognized that to be counted among the very best will be expensive. University officials must count on every fund source. She said the recent trend is very troubling. Tuition at the University of Iowa is \$500 less than that of the next lowest tuition in its comparison group, and the gap is widening.

President Coleman provided a few examples of quality at the University of Iowa in the form of vignettes. A new young professor was hired in the art department this year. He required \$125,000 as part of his start-up costs. The university was able to provide him with \$5,000. The Web of Science data base costs \$154,000 and is one of dozens of data bases in the university library. She discussed the library's outmoded electronic cataloging system. Macbride Hall was just remodeled but other halls also need similar remodeling efforts because enrollments are robust. Retention rates are not as good as desired.



President Coleman stated that University of Iowa officials support the Board Office recommendation for a 5.2 percent tuition increase which translates to \$150 per year for resident students.

President Jischke complimented the students on their presentations and said he thought everyone would agree that the Regent universities have remarkable students. He said he would talk about two issues: 1) the general recommendation and 2) off-campus tuition and distance learning prices. With regard to tuition, particularly the proposed 5.2 percent increase, he observed that tuition and fees are low when measured by personal income national averages. He said it costs \$20/day to be a student at Iowa State University. Relative to quality of education, that is an extraordinary bargain. Secondly, the resources available are not adequate to meet the aspirations for Iowa State University. Third, financing a first-rate education is a partnership. He said taxpayers, alumni and friends have substantially invested in the university. President Jischke said he supported the Board Office recommendation for a 5.2 percent increase in tuition this coming year.

With regard to off-campus tuition, President Jischke stated that Iowa State University officials are developing proposals for new programs off campus. They have had to confront the issue of what price to charge for those off-campus programs. He said he could argue for a policy that recognizes the shared funding of Iowa State University and the fundamental idea of public education. He wanted to make the case that the Board of Regents should adopt a policy for off-campus programs, that residents of Iowa pay tuition for off-campus programs the same as that of on-campus programs plus a technology convenience fee. Taxpayers of Iowa should subsidize off-campus students the same as on-campus students. He said he could not provide precise numbers yet but the fundamental question is should students at a distance be treated as part of the larger student body and have their fare subsidized by all of us. Doing so reinforces the underlying idea of public education.

President Koob offered a compliment to the Board for bringing to the table the issue of increasing tuition for quality. He said the Board of Regents has been on a decade-long quest to make the Regent institutions the best they can be. In the late-1980s the Board required the institutions to develop strategic plans. The Board requires internal reallocations at all of the institutions. Institutional officials have "squeezed" out the best quality possible. With regard to the proposal to increase the quality that had already been created, he said the only way is to invest more money. Education in Iowa is the best value available for the dollar. The only way to improve quality is to have increased investment which is a policy decision the Board would have to make. He said the importance of an educated population is now understood nationwide. There will have to be increased investment because they have squeezed out all the quality they can. Does the additional investment come from the public or student? He said they cannot go wrong by increasing quality. The question today is whether to rebalance the funding sources. He stated the 5.2 percent tuition increase will be spent constructively at the University of Northern Iowa.

Regent Kennedy asked Presidents Koob and Coleman to address the policy issue of accessibility and tuition for on- and off-campus students.

President Koob stated that from the time he arrived in Iowa he has maintained that accessibility should not be limited to those who can come to the campus. Because of the university's commitment to state funding for off-campus activities and distance education, university officials are committed to doing that as part of what is done on campus. He said it was a myth that distance education is somehow cheaper than on-campus education. Distance education will cost more. He said he agreed with President Jischke's comments

on this subject. The basic tuition should be the same for on- and off-campus students. There should be a specific state request and a delivery cost to students.

President Coleman stated that traditionally the University of Iowa's continuing education programs are self-supporting programs. She said she had no objection to looking at the whole philosophy. There is an important issue of who is paying the bill for the student taking the course. All off-campus education is not equivalent to all on campus. Off-campus education is very expensive to deliver.

Regent Fisher referred to the proposed additional 2 percent increase in tuition for quality. He said one of the important elements will be accountability and success of measuring those funds. It will be important for the Regents to reassess the quality element each year. He asked how university officials would accomplish this type of accountability on an ongoing basis.

President Jischke responded that the universities have strategic plans with benchmarks on which university officials report every year. Also, university officials report annually on how funds are allocated. There is a listing of where tuition revenues should be spent at Iowa State University.

President Coleman stated that University of Iowa officials are committed to continued consultation with students. University officials also list the issues of importance.

President Koob stated that use of tuition proceeds and legislative requests for funding for the University of Northern Iowa cover the range of issues that students identify as important to them. University officials have a continuing commitment to financial aid, average class size and student retention.

Regent Fisher stated that accounting for the tuition proceeds resulting from the quality component would need to be done every year. He then asked if other states have done this type of tuition increase effort.

President Coleman stated that a couple of years ago North Carolina did something similar.

President Jischke stated that something similar is done in Missouri. He noted that few enterprises have better systems of strategic planning and benchmarking than does the state of Iowa.

President Coleman introduced Dean Miller, University of Iowa College of Engineering.

Dean Miller discussed with the Regents the challenges and opportunities facing the College of Engineering. He asked for the Regents' suggestions on identifying the next steps to raise the level of investment in engineering education at the University of Iowa. He discussed the Seaman's Center for Engineering Arts and Sciences building project which was a matching plan by the State of Iowa and alumni that began in 1996. The project was a \$29 million program with \$14.1 million coming from state appropriations. He said \$11 million in private support were raised in less than 2 years, nearly twice the original goal. The project is aimed at enhancing the learning environment for students. The focus of the college has been individualized education and preparing students. The University of Iowa College of Engineering is the smallest engineering college in the Big 10 and it specializes in personal attention with all students under one roof. The college has a much higher percentage of women students than the national average. It is one of only 21 engineering colleges in the nation with an accredited undergraduate program in biomedical engineering. Dean Miller discussed the quality of incoming freshman students.

University of Iowa College of Engineering officials have been trying to build an engineering program which is complimentary, and not duplicative, to the strong program at Iowa State University. The University of Iowa engineering program builds on the distinctiveness of the other programs at the University of Iowa in liberal arts, writing, business and health sciences. Dean Miller stated that doing so has resulted in some unique educational opportunities. One of the more notable recent ones is the Technological Entrepreneurship Certificate Program which was recognized this spring on the cover of Inc. magazine.

Dean Miller stated that the next step for the college was a major capital campaign, building on the success of the building campaign. Alumni will be asked to raise approximately twice the amount of money that was raised for the Seaman Center. The principle need for the fund raising is scholarships and innovative academic programs like technological entrepreneurship. The programs under consideration are aimed at the university's writing program and health sciences. College officials aspire to provide an educational opportunity of quality, characteristic of the top 10 public engineering colleges in the nation. The strategic plan specifically identifies that goal. To provide an engineering education of this quality requires greater investment. He said resident and non-resident tuition for engineering at the University of Iowa is the lowest in the Big 10.

Dean Miller stated that support is needed for more and better equipment, for computing facilities, instructional support, innovative programs and research opportunities. He said he welcomed the Regents' advice on how to best meet the growing educational needs of students in this small and highly focused college.

President Coleman stated that University of Iowa officials had presented this as an issue for discussion on how to get to where the College of Engineering aspires to go.

Regent Arenson thanked Dean Miller for the presentation and said he applauded his vision. He said this discussion was not simply about tuition but the future of these institutions. The Regents asked institutional officials at a Board retreat to tell the Regents what their aspirations were for the institutions. In turn, institutional officials asked the Board what were its aspirations. The conclusion was nothing less than the best. Institutional officials said that to become the best would cost money and questioned from where those resources would come. Institutional officials questioned whether the Regents were sure that they wanted to set their aspirations that high. He said he believed they were coming to a moment of truth. If institutional officials have squeezed out all they can from reallocation, private fund raising and the state of Iowa, and if university officials have marshaled those resources effectively, and if the universities have low tuition, then the question becomes whether the Regents take the step that he thinks needs to be taken to put these institutions on the road to becoming the best institutions they can be.

Regent Arenson stated that during his brief time on the Board he has witnessed three university presidents working diligently, and various deans and department heads and faculty members working hard to improve these institutions. The Board of Regents needs to provide the support and tools to do that. The Regents do not like to put any more of a burden on students than they have to do. Their decisions will affect students 10 and 20 years from today. A policy decision needs to be made about what the Board wants these institutions to be. He said he hoped the Regents would not forget about what they said at that retreat. They should move forward and make these institutions the best, with accountability.

President Newlin and Regent Kelly spoke in support of Regent Arenson's remarks.

Regent Kennedy said she appreciated what had been said. The Regents will have some difficult issues to look at in the next month. She then said there were a couple of other policy issues the Regents needed to address: 1) differential tuition among the colleges and 2) tuition for distance education. She wanted to make sure the Board addresses those issues at the appropriate time.

Regent Fisher stated that staff had not made a recommendation on these issues. He looked forward to receiving a recommendation from staff.

Executive Director Stork stated that in October a report was scheduled to be received on distance education. He was not sure if there would be a specific proposal on the table regarding tuition. He said the Board could consider a separate recommendation on tuition for distance education in October and approve it in November, and be in compliance with state law.

Regent Arenson asked if the University of Iowa had made a request regarding the College of Engineering. President Coleman responded that university officials had put the matter on the table for an opportunity for discussion. She said university officials could try to provide more information. She asked for Board guidance in trying to solve a difficult situation.

President Newlin asked if university officials had considered a special legislative request for the College of Engineering. President Coleman responded that she did not feel it would be viable to request legislative funds for a college that has 5 percent of the student population.

Regent Ahrens said she would like to have more discussion about establishing a precedent for differential tuition for undergraduates. She was concerned there would be a snowball effect with other undergraduate programs. Secondly, doing so would limit student opportunities and might hinder some students from looking at engineering if they would have to pay a fee. She said students deserve the opportunity to find out where their life goal will be.

Regent Kennedy congratulated the engineering college on its successes. It has been Board policy in approving increases in tuition that the institutions are guided by their strategic plans in determining where the funds are best spent. The Board policy allows an increase in tuition that allows for quality and the raising of levels. She said that to let individual colleges increase tuition for their students would be tampering with the strategic plans. It is then difficult to say no to other colleges with very good innovative ideas. Hopefully over time those innovative and creative ideas can be addressed by the institutions. She was concerned about opening up a new way of funding priorities.

Regent Lande said he has a predisposition that there is a difference in the cost of various kinds of education. He said it is seldom wise to ignore the facts of life.

Regent Kennedy stated that traditionally at the undergraduate level the tuition is the same university wide. The issue has always been there that some programs cost more than others. Universities have always subsidized some of the expensive courses and programs.

Regent Lande stated that what was being requested by the University of Iowa was something different this time, a top down imposition of tuition.

Regent Pellett stated that the engineering issues had been stated very well. With regard to tuition for distance education, the Regents will receive a report next month. She asked if the report would indicate how decisions are now made as to what the costs are and how other states finance distance education.

Executive Director Stork said the Board Office would gather as much information as it can.

Regent Arenson stated that when the Board set policy on distance education, it asked the universities to come back with costs. With regard to the engineering tuition differential issue, he said his preference would be to raise the overall tuition to a level high enough to cover the needs of the engineering department even if that means more than 2 percent additional for quality. He was opposed to adding new fees because those were nothing more than tuition. He would consider charging the upper division students who have decided they want to become engineers a different tuition level.

President Newlin stated that Presidents Jischke and Koob had not spoken on the issue of differential tuition.

President Jischke said there had been discussions of the issue at Iowa State University and there was not support for differential tuition because it will create internal competition for resources. It would create less willingness to cooperate and collaborate. Secondly, there is an implication in differential tuition that all the differential would go to the unit generating the charge. The reality is that students take one-half of their courses outside of the College of Engineering. The history of private institutions that have tuition differentials is that it particularly savages the arts and sciences. He also believes it would make reallocation quite difficult. Iowa State University has received a targeted appropriation for reengineering engineering education. Beyond the issues that affect Iowa State University, he said the Board needs to ask some very basic questions. What kind of competition does it want to have between these institutions? He said it might well become complicated. He was not supportive of this kind of approach.

Regent Lande asked how President Jischke felt about fees such as computer fees. President Jischke stated, with all the wisdom that comes from hindsight, that he would not have allowed three different computer fees.

President Koob stated that he cannot support differential tuition. He said Regents Ahrens and Kennedy had stated some of the reservations he had, and President Jischke stated the rest of them.

Regent Arenson asked if President Koob felt the same way about upper division student tuition. President Koob said he was concerned about the freedom of students to make decisions. He would not have wanted his own student experience to have been impacted by having to make a choice about costs. Students should have full access to public education.

President Coleman emphasized that University of Iowa officials are committed to continuing to work with the students. There have been initial consultations with engineering students. With the Board's lead, she encouraged Dean Miller to continue those conversations to see if a way can be found to allow them to achieve their aspirations.

Regent Kelly asked if it would be possible to have up-to-date definitive materials on these two areas of policy on distance education and tuition differential. President Newlin suggested that separate papers could be developed.

**ACTION:**

President Newlin stated the Board, by general consent, gave preliminary consideration to proposed 1999-2000 academic year tuition rates and mandatory fees, effective with the summer session 1999. The Board Office recommended a 5.2 percent increase in base tuition and fees and recommended the tuition surcharges proposed by the University of Iowa which are above the proposed tuition rates for the Colleges of Law and Dentistry. The funds generated by the surcharges are to be kept in the respective colleges.

**OPERATING APPROPRIATION REQUESTS FOR FISCAL YEARS 2000 AND 2001.**

The Board Office recommended the Board (1) refer to the individual appropriations requests for FY 2000 and FY 2001 for individual action and (2) approve the following Regent appropriations requests:

- (a) Regent-wide technology initiative for \$10.1 million in state appropriations for each FY 2000 and FY 2001, for technology improvements.
- (b) Clothing, prescriptions, and transportation in the amount of \$17,750 for FY 2000 and \$18,400 for FY 2001.

The Board Office recommended operating appropriations for the five Regent institutions totaling \$666.4 million (+3.8 percent) for FY 2000. The recommended

amount is exclusive of funds for Regent salary increases because state salary policy will not be established until after collective bargaining agreements are concluded. The recommended FY 2000 institutional appropriations requests were increased by \$4.3 million from the recommendations presented to the Board in July.

For FY 2001, the Board Office recommended funding at \$691.4 million (+3.8 percent) excluding salary policy. The FY 2001 recommended appropriations for the five Regent institutions were increased by \$4.7 million.

The recommended institutional incremental appropriations include salary annualization, inflation, building repairs, opening new buildings, undergraduate improvements, graduate and research assistance, and a variety of institutional initiatives. The recommended appropriations follow the strategic planning goals of the Board and the Regent institutions.

The institutional and Board Office appropriations requests were presented in a format consistent with the State of Iowa's budgeting process. In accordance with statutory requirements, the appropriations requests are to begin with 75 percent of the FY 1999 base appropriations. Specific programs and services that would be impacted by a 25 percent reduction in base appropriations are identified and prioritized for restoration back to base appropriations funding levels. The FY 2000 and FY 2001 appropriation requests were presented in accordance with the state's budgeting for results format. The institutions have allocated the recommended appropriations requests in line with the respective strategic plans.

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

Executive Director Stork stated that the Board received preliminary operating appropriations requests at its July meeting. At this meeting the Board would finalize its recommendations. Since the July Board meeting the Board Office visited all of the Regent campuses for follow-up discussion, debate and further review. What was before the Board were the Board Office recommendations following that process. There were adjustments made to accommodate priority requests of all Regent institutions. Funding was added for improving undergraduate education. There was a continuing recommendation with respect to the \$10 million technology initiative.

MOTION:

Regent Fisher moved to approve the following Regent appropriations requests: (a) Regent-wide technology initiative for \$10.1 million in state appropriations for each FY 2000 and FY 2001, for technology improvements. (b) Clothing, prescriptions, and transportation in the amount of \$17,750 for FY 2000 and \$18,400 for FY 2001. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

Regent Fisher asked if last year was the first year the technology funds were requested. Executive Director Stork responded affirmatively.

Regent Fisher suggested that the Regents work hard to get the \$10.1 million. President Newlin stated that a lot of hard work was done last year.

(a) University of Iowa. The Board Office recommended the Board approve the FY 2000 and FY 2001 general fund operating appropriations request for the University of Iowa as follows:

	FY 2000		FY 2001	
	<u>Total</u>	<u>% Incr.</u>	<u>Total</u>	<u>% Incr.</u>
	<b>Total</b>			
General University	\$244,997,986	3.8	\$254,072,589	3.7
University Hospitals	32,106,935	0.9	32,356,303	0.8
Psychiatric Hospital	8,015,100	0.6	8,049,274	0.4
Hospital School	7,045,014	0.8	7,075,363	0.4
Oakdale Campus	3,156,068	1.8	3,201,704	1.4
Hygienic Laboratory	3,998,338	3.3	4,021,309	0.6
Family Practice	2,314,687	0.1	2,316,328	0.1
SCHS CA/HE	552,068	0.1	552,668	0.1
Special Purpose				
Public Health	1,250,000	new	2,750,000	new
Other	<u>3,643,050</u>	<u>6.1</u>	<u>4,014,294</u>	<u>10.2</u>
Total	<u>\$307,079,246</u>	<u>3.7</u>	<u>\$318,409,832</u>	<u>3.7</u>

The proposed operating appropriations request for the University of Iowa listed above provides for the essential programs and initiatives as outlined by university officials and follows the strategic planning goals of the university. The university goals include providing comprehensive strength in undergraduate programs, premier graduate and professional programs, faculty of national and international distinction, distinguished research and scholarship, a culturally diverse and inclusive university community, strong ties between the university and external constituencies, and a high-quality academic and working environment.

The Board Office recommendation for the appropriations request for the University of Iowa for FY 2000 is \$307,079,246 (+3.7 percent), exclusive of salary policy. The recommended amount is exclusive of funds for Regent salary increases because state policy will not be established until after collective bargaining agreements are concluded.

The FY 2001 Board Office recommendation for the university appropriations request was \$318,409,832 (+3.7 percent), exclusive of state salary policy.

The Board Office recommendations for the university were increased by \$1.8 million in FY 2000 and \$2.1 million in FY 2001 over the preliminary recommendations presented in July.

The recommended incremental appropriations funding follows the priorities as requested by the university and includes salary annualization, inflation, building repairs, opening new buildings, undergraduate improvements, graduate and research fellowships, and child care, as well as initiatives for library enhancements, biosciences, arts and humanities, technology based teaching, classroom modernization, next generation science, a virtual laboratory, and transforming teacher education. Special purpose initiatives include public health, the birth defects and cancer registries, and the center for global and regional environmental research.

President Coleman thanked Executive Director Stork for spending the better part of one day at the University of Iowa discussing university officials' concerns and desires, and for his response. She said the Board Office recommendation reflected areas of greatest need at the university.



MOTION:

Regent Fisher moved to approve the FY 2000 and FY 2001 general fund operating appropriations request for the University of Iowa, as presented. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Iowa State University. The Board Office recommended the Board approve the FY 2000 and FY 2001 general fund operating appropriations request for Iowa State University as follows:

	FY 2000		FY 2001	
	Total	% Incr	Total	% Incr
General University	\$194,209,582	4.5	203,692,887	4.9
Ag. Experiment Station	35,124,486	0.4	35,252,082	0.4
Cooperative Extension	23,250,836	3.8	23,339,490	0.4
Inst. Physical Research & Technology	4,511,774	0.8	4,542,431	0.7
Small Business Development Center	1,268,776	1.6	1,288,814	1.6
Leopold Center	577,280	0.4	579,647	0.4
Veterinary Public Health	150,000	new	300,000	new
World Food Prize	255,003	2.0	260,156	2.0
Research Park (ISIS)	383,767	0.6	386,226	0.6
Livestock Disease Research	280,010	0.9	282,521	0.9
Total	\$260,011,514	3.8	\$269,924,254	3.8

The proposed operating appropriations request for Iowa State University provides for the essential programs that were requested by the university and follows the strategic planning goals of the university. The university goals include strengthening undergraduate education, strengthening graduate education and research programs, strengthening outreach and extension efforts, sustaining and enhancing an intellectually stimulating and supportive environment, integrating information technology and computation services, and stimulating economic development.

The Board Office recommended the appropriations request for Iowa State University in the amount of \$260,011,514 (+3.8 percent) for FY 2000. The recommended amount was exclusive of funds for Regent salary increases because state salary policy will not be established until after collective bargaining agreements are concluded.

The FY 2001 Board Office recommendation for the appropriations request was \$269,924,254 (+3.8 percent) excluding salary policy.

The Board Office recommendations for the university were increased by \$1.8 million in FY 2000 and \$2.0 million in 2001 over the preliminary recommendations presented in July.

The recommended funding includes salary annualization, inflation, building repairs, opening new buildings, undergraduate education improvements, research and graduate education, child care, and program initiatives that include a fundamental plant science center, Extension 21, transformation of teacher preparation, and cooperative veterinary public health.

President Jischke stated that he was pleased with the adjustments in the recommendations of the Board Office.

MOTION: Regent Ahrens moved to approve the FY 2000 and FY 2001 general fund operating appropriations request for Iowa State University, as presented. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) University of Northern Iowa. The Board Office recommended the Board (1) approve the FY 2000 and FY 2001 general fund operating appropriations request for the University of Northern Iowa as follows:

FY 2000		FY 2001	
Total	% Incr	Total	% Incr

General University	\$86,093,799	3.9	\$89,422,465	3.9
Institute for Decision Making	784,091	10.6	784,091	0.0
Recycling and Reuse Center	244,025	0.0	244,025	0.0
Metal Casting Center	<u>171,996</u>	<u>0.0</u>	<u>171,996</u>	<u>0.0</u>
Total	\$87,293,911	3.9	\$90,622,577	3.8

(2) authorize the University of Northern Iowa to pursue an increase in the allocation of fees to the Waste Reduction Center and seek funding for the Agriculture Based Industrial Lubricants and the Criminal Justice Programs through other state agencies in accordance with current practice.

The proposed operating appropriations request for the University of Northern Iowa provides for the essential programs that were requested by the university and follows the strategic planning goals of the university. The university goals include promoting and maintaining an intellectual vitality, creating and nurturing a caring, diverse, and ethical community, optimizing resources to support university programs and aspirations, and developing external relations of appreciation and support for the values, programs, and services of the university.

The Board Office recommended the appropriations request for the University of Northern Iowa in the amount of \$87,293,911 (+3.9 percent) for FY 2000. The recommended amount is exclusive of funds for Regent salary increases because state salary policy will not be established until after collective bargaining agreements are concluded.

The FY 2001 Board Office recommendation for the appropriations request was \$90,622,577 (+3.8 percent) exclusive of salary policy.

The Board Office recommendations for the university were increased by \$650,000 for FY 2000 and \$475,000 in FY 2001 over the preliminary recommendations presented in July.

The recommended incremental appropriations funding for FY 2000 includes salary annualization, inflation, building repairs, opening new buildings, undergraduate education improvements, international education and work experiences, teacher education, Masters in Social Work, student transition, preparing students for technical demands, and administrative financial systems.

President Koob expressed appreciation for the efforts that Board staff had made to accommodate the university's request. He said he was pleased with the result.

MOTION: Regent Fisher moved to (1) approve the FY 2000 and FY 2001 general fund operating appropriations request for the University of Northern Iowa, as presented, and (2) authorize the University of Northern Iowa to pursue an increase in the allocation of fees to the Waste Reduction Center and seek funding for the Agriculture Based Industrial Lubricants and the Criminal Justice Programs through other state agencies in accordance with current practice. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Iowa School for the Deaf. The Board Office recommended the Board approve the FY 2000 and FY 2001 general fund operating appropriations request for the Iowa School for the Deaf, including retention of the FY 1999 one-time appropriation of \$60,000 in the base

appropriation, for a total appropriations request of \$7,747,488 (+3.7 percent) for FY 2000 and \$8,023,824 (+3.6 percent) for FY 2001.

The proposed operating appropriations request follows the strategic planning goals of the Iowa School for the Deaf and provides continued programming for deaf and hard of hearing children and youth essentially as outlined by the School. The school goals include provision of quality teaching services, expansion of creative programming, use of technology, recruitment and retention of faculty, and improvement of facilities.

The Board Office recommended the appropriations request for FY 2000 in the amount of \$7,747,488 (+3.7 percent) which includes retaining the \$60,000 FY 1999 one-time appropriation. The recommended amounts are exclusive of funds for Regent salary increases because salary policy will not be established until after collective bargaining agreements are concluded.

For FY 2001, the Board Office recommendation for the school appropriations request was \$8,023,824 (+3.6 percent) exclusive of salary policy and inclusive of the FY 1999 \$60,000 appropriation for vocational equipment.

The Board Office recommendations for the school were increased by \$55,000 for FY 2000 and \$60,000 for FY 2001 over the preliminary recommendations presented in July.

The recommended incremental appropriations funding follows the priorities as requested by the school and includes salary annualization, inflation, building repairs, vocational education, and additional faculty in FY 2000 and FY 2001.

Superintendent Johnson said he was pleased with the additional recommendations and support. He noted that the increased numbers of students at Iowa School for the Deaf were Iowa students not Nebraska students, hence the requested FY 2000 and FY 2001 funding for additional faculty.

MOTION:

Regent Pellett moved to approve the FY 2000 and FY 2001 general fund operating appropriations request for the Iowa School for the Deaf, including retention of the FY 1999 one-time appropriation of \$60,000 in the base appropriation, for a total appropriations request of \$7,747,488 (+3.7 percent) for FY 2000 and \$8,023,824 (+3.6 percent) for FY 2001. Regent Arenson seconded the motion.  
MOTION CARRIED UNANIMOUSLY.

(e) Iowa Braille and Sight Saving School. The Board Office recommended the Board approve the FY 2000 and FY 2001 general fund operating appropriations request for the Iowa Braille and Sight Saving School of \$4,313,679 (+3.8 percent) for FY 2000 and \$4,476,966 (+3.8 percent) for FY 2001.

The proposed operating appropriations request follows the strategic planning goals of the Iowa Braille and Sight Saving School and provides continued programming for visually impaired and blind children and youth essentially as outlined by the school. The goals of the school include provision of leadership in education, encouragement of continuous improvement of the climate for diversity to ensure equal educational and employment opportunities, and provision of effective stewardship of resources.

The Board Office recommended the appropriations request for FY 2000 in the amount of \$4,313,679 (+3.8 percent). The recommended amount is exclusive of funds for Regent salary increases because salary policy will not be established until after collective bargaining agreements are concluded.

For FY 2001, the recommendation for the appropriations request was \$4,476,966 (+3.8 percent) exclusive of salary policy for FY 2001.

The Board Office recommendations for the school were increased by \$30,000 for FY 2000 and \$45,000 for FY 2001 over the preliminary recommendations presented in July for building repairs and program initiatives.

The recommended incremental appropriations funding follows the priorities as requested by the school and includes salary annualization, inflation, building repairs, and a focusing services initiative.

Superintendent Thurman expressed appreciation for the Board Office recommendations.

MOTION: Regent Lande moved to approve the FY 2000 and FY 2001 general fund operating appropriations request for the Iowa Braille and Sight Saving School of \$4,313,679 (+3.8 percent) for FY 2000 and \$4,476,966 (+3.8 percent) for FY 2001. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

(f) Regional Study Centers. The Board Office recommended the Board approve the FY 2000 and FY 2001 State of Iowa operating appropriations request for the Regional Study Centers as follows:

	<u>FY 2000</u>	<u>FY 2001</u>
Quad-Cities Graduate Study Center	\$168,280	\$169,497
Tri-State Graduate Study Center	82,319	82,934
Southwest Iowa Regents Resource Center	<u>111,730</u>	<u>112,359</u>
Total - Regional Study Center Request	\$362,329	\$364,790

Interinstitutional discussions regarding distance education referenced in the July docket item are ongoing. The Board Office recommendations for the centers were unchanged from the preliminary recommendations presented to the Board in July. The recommendations included a 2 percent general inflationary price increase based on the State of Iowa appropriated funds share of the centers' FY 1999 non-personnel budgets. The recommendations are exclusive of funds for salary increases.

MOTION: Regent Fisher moved to approve the FY 2000 and FY 2001 State of Iowa operating appropriations request for the Regional Study Centers, as presented. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

(g) Board Office. The Board Office recommended the Board approve the budget request for the Board Office of \$1,824,969 for FY 2000 and of \$1,834,454 for FY 2001.

The proposed appropriation requests for fiscal years 2000 and 2001 were increased by \$528. Salary annualization received for FY 1999 was not included in the appropriated amount in the July docket memorandum.

The institutional reimbursement for 2000 and 2001 was reduced by the \$528.

The proposed budget for fiscal year 2000 utilizes the base budget for fiscal year 1999 as adjusted by annualization and price inflation of 3.0 percent.

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

The budgets for the Facilities Officer, Associate Director Information Systems and the Assistant Director of Business and Finance are a part of the University of Iowa budgets, financed jointly by the institutions and were also adjusted by the 3.0 percent price inflation.

Executive Director Stork stated that the request was the same as what was presented in July except for the \$528 salary annualization amount.

MOTION: Regent Arenson moved to approve the budget request for the Board Office of \$1,824,969 for FY 2000 and of \$1,834,454 for FY 2001. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

(h) Additional Budget Items/State Budget Process. The Board Office recommended the Board (1) approve the priorities for restoring the base operating appropriations for FY 2000 and FY 2001 to fulfill state statutory requirements for budget development and (2) approve the allocation of budget requests by strategic planning goals for FY 2000 and FY 2001 to fulfill state statutory requirements for budget development.

In accordance with statutory requirements, the Regent appropriations requests for FY 2000 and FY 2001 must begin with only 75 percent of the FY 1999 base appropriations. Priorities must be determined for adding programs and services back to restore the appropriations to the current FY 1999 base funding levels.

The institutions and the Board Office identified specific programs and services, which would need to be curtailed if only 75 percent of the base appropriation were funded by the state. The institutions and Board Office developed decision packages and prioritized each package for restoration to the base appropriations.

The FY 1999 base appropriations total \$635.7 million. At 75 percent, the base appropriations would be \$476.8 million. Restoration decision packages to add services back total \$158.9 million. Instructional and academic programs are listed as the first priorities for restoring the base. Student services, institutional support, and physical plant services priorities follow.

In accordance with statutory requirements for budget development, state departments are to utilize a "budgeting for results" format whereby budget requests are allocated by desired results. The Regent institutions have incorporated their respective strategic planning goals into the development of the required budget format for FY 2000 and FY 2001.

MOTION: Regent Arenson moved to (1) approve the priorities for restoring the base operating appropriations for FY

2000 and FY 2001 to fulfill state statutory requirements for budget development and (2) approve the allocation of budget requests by strategic planning goals for FY 2000 and FY 2001 to fulfill state statutory requirements for budget development. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

**CAPITAL IMPROVEMENT REQUESTS FOR FISCAL YEAR 2000 AND FISCAL YEAR 2001.** The Board Office recommended the Board (1) approve the capital improvement appropriations request of \$4,485,000 for FY 2000 and \$68,711,000 for FY 2001 and (2) approve tuition replacement appropriations request of \$27,927,851 for FY 2000 and \$28,174,854 for FY 2001 with the understanding that FY 2000 needs will be reassessed by November 15, 1998.

Consistent with the Board's strategic plan, each year the institutions request and the Board recommends capital funding from the state infrastructure fund for the next biennium. The universities have not requested capital funding for FY 2000 as per understandings reached during the 1997 legislative session. The special schools requested capital funding for FY 2000 and the universities and special schools have requested funding for FY 2001. These requests total \$5.3 million for FY 2000 and \$97.6 million for FY 2001. The Board Office recommendations include funding of \$4.5 million in FY 2000 and \$68.7 million in FY 2001.

The FY 2000 recommendations were consistent with those presented to the Board in July. The recommendations total \$3,850,000 for the Iowa School for the Deaf, including \$3,200,000 for the Recreation Complex. Projects totaling \$635,000 were recommended for the Iowa Braille and Sight Saving School.

There are a number of changes from July in the FY 2001 recommendations. There is a new, major project recommended for Iowa State University and an increase in the total recommendation of \$1.2 million.

Iowa State University officials revised its capital request from the request presented to the Board in July. The university is embarking on a major new private fundraising initiative for the College of Business which, according to the university, will benefit the college nationally and the university programmatically in support of its strategic planning goals. Funding for a new College of Business Building is at the center of the initiative. University officials proposed a public-private partnership to fund this building with a request of \$10 million in state funds to be matched with \$11.5 million in gifts. The initiative is based on progress in planning that has materialized since the university's preliminary capital request was submitted. The request for funding of the new Business Building is the university's second project priority for FY 2001, following the Gilman Hall Addition – Systems Upgrade project. Due to this new initiative, the university has committed its priority for the Morrill Hall Deferred Maintenance and Remodeling project to FY 2002.

Other changes to the FY 2001 recommendations include an adjustment in the priority of the University of Northern Iowa - Steam Distribution System Replacement, Phase 1 project and the deletion of the Steam Distribution Infrastructure project (\$1 million) at the University of Iowa. The adjustment for the University of Northern Iowa was made so that the Biology Center Addition could receive a higher priority for funding consideration. The Steam Distribution project was still recommended for FY 2001.

Tuition replacement appropriations represent an ongoing commitment of the Governor and General Assembly to meet the debt service cost of Academic Building Revenue Bonds. The Board was asked to approve a tuition replacement appropriations request of \$27,927,851 for FY 2000 and \$28,174,854 for FY 2001 with the understanding that FY 2000 needs will be reassessed by November 15, 1998. These amounts reflect detailed estimates by the universities and are slightly lower than the preliminary recommendations received by the Board in July.

President Coleman thanked Executive Director Stork for taking the time to visit with university officials on the campus. She said these projects represent the university's most critical and immediate needs. She was pleased that the Board Office had recommended the first phase of the art and art history project.

President Jischke thanked the Board Office for working with Iowa State University officials and adjusting the recommendation. He then discussed the university's proposal for a new business building. He said there is significant need and significant opportunity in the College of Business. It enjoys a very fine reputation. One of the challenges for the college is inadequate space. President Jischke has been visiting with the College of Business' alumni and friends over the last 3 months about their willingness to partner with the university and the state of Iowa to enhance the college. In excess of \$35 million is at the center of this plan, the centerpiece of which is a new facility that would more than double the college's current space. University officials have proposed a \$21.5 million building, \$10 million from the state of Iowa to be matched by \$11.5 million in private funds. In addition, university officials would raise another \$14 million in private funds for the College of Business. The total package is more than a 2-to-1 match of state of Iowa funds. President Jischke asked for Board support to insert the College of Business project where the Morrill Hall project was in the list.

President Koob expressed support for the Board Office recommendation, stating that the list reflected the University of Northern Iowa's priorities.

MOTION:

Regent Arenson moved to (1) approve the capital improvement appropriations request of \$4,485,000 for FY 2000 and \$68,711,000 for FY 2001 and (2) approve tuition replacement appropriations request of \$27,927,851 for FY 2000 and \$28,174,854 for FY 2001 with the understanding that FY 2000 needs will be reassessed by November 15, 1998. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

**FINAL FIVE-YEAR CAPITAL IMPROVEMENT PLAN, FISCAL YEAR 2000 – FISCAL YEAR 2004.** The Board Office recommended the Board (1) approve the five-year capital program for FY 2000 - FY 2004 of \$264,811,000 to be funded by State infrastructure fund appropriations and (2) approve the five-year program (FY 2000 – FY 2004) of \$63,505,000 for the University of Iowa Hospitals and Clinics to be funded by University Hospitals Building Usage Funds.

The Board Office recommendation of \$264,811,000 for the five-year capital priority plan to be funded by state infrastructure fund appropriations was \$10 million higher than the amount included in the preliminary recommendations presented to the Board in July 1998. Two major projects not previously included were added: Classroom Building/ Journalism project (\$12 million) at the University of Iowa and College of Business Building (\$10 million) at Iowa State University. Adjustments were made in the funding recommended for



other projects for the five-year period to reduce the total increase to \$10 million, which includes \$6 million for the University of Iowa and \$4 million for Iowa State University.

Since July, Board Office staff and University of Iowa officials have discussed in detail the university's request for the Classroom Building/Journalism project. Based upon these discussions and additional information provided by the university, the Board Office recommended funding for this project in FY 2002 and FY 2003.

Iowa State University revised its five-year capital request from the plan presented in July. Funding for a new building is at the center of a major new private fundraising initiative for the College of Business. The FY 2001 request of \$10 million in state funds would be matched by \$11.5 million in gifts. Due to the new initiative, university officials committed its priority for the Morrill Hall Deferred Maintenance and Remodeling project to FY 2002. The College of Business Building was recommended by the Board Office for funding in FY 2001.

The following table summarizes the changes in projects and dollars recommended from the July preliminary recommendations to the final recommendations.

ADJUSTMENTS FROM PRELIMINARY TO FINAL FIVE-YEAR  
INFRASTRUCTURE FUND CAPITAL IMPROVEMENT PLAN, FY 2000 – FY 2004

<u>Institution</u>	<u>Project</u>	\$ Added / (Deleted) <u>(\$ thousands)</u>	<u>Fiscal Year(s)</u>
SUI	Classroom Building / Journalism	\$12,000	2002 - 2003
	Steam Distribution System	(2,000)	2001- 2002
	Power Plant - East Egress Steam Tunnel	(1,610)	2002
	Power Plant - Second Ash Silo	(1,180)	2002
	Seashore Hall Remodeling	(30)	2004
	Currier Hall - Academic Support Space	<u>(1,180)</u>	2004
		\$6,000	
ISU	College of Business Building	\$10,000	2001
	Agricultural & Biosystems Engineering	<u>(6,000)</u>	2003
		\$4,000	
	Total - Net Increase	\$10,000	

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

Executive Director Stork stated that the Board Office recommendations were \$10 million higher than the preliminary recommendations in July.

President Coleman thanked Executive Director Stork and the Board Office for adding the Classroom Building/Journalism project to the list. She said she believed it would be a good opportunity for leveraging funds.

President Koob stated that in the July presentation the Board Office had dropped Price Laboratory School from consideration in the 5-year plan. He said University of Northern Iowa officials will ensure that a plan for the use of that facility is included in the submission next year. He did not want the Regents to forget that project is on the university's five-year planning list.

**MOTION:**

Regent Kennedy moved to (1) approve the five-year capital program for FY 2000 - FY 2004 of \$264,811,000 to be funded by State infrastructure fund appropriations and (2) approve the five-year program (FY 2000 – FY 2004) of \$63,505,000 for the University of Iowa Hospitals and Clinics to be funded by University Hospitals Building Usage Funds. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

**EXECUTIVE SESSION.** President Newlin requested that the Board enter into closed session pursuant to the Code of Iowa section 21.5(1)(c) to discuss a matter with counsel which is either in litigation or where litigation is imminent.

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

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 4:29 p.m. on September 23, 1998, and adjourned therefrom at 5:31 p.m. on that same date.

**UPDATE ON YEAR 2000.** The Board Office recommended the Board receive the report on progress by the institutions in achieving compliance with Year 2000 requirements and approve the peer review process described below.

The Board has received frequent reports from the institutions relative to their activities to ensure compliance with Year 2000 (Y2k) requirements. In lieu of individual institutional reports this month, the institutions are providing updated information on the Board's "Year 2000 Computer Conversion Status" form which is utilized by the Board Office. This report contains some review of progress for Iowa School for the Deaf, Iowa Braille and Sight Saving School, and the Board Office that was not previously reported. Not all activities can be in the same stage of preparedness as limited resources are allocated in stages among the many activities. Each institution appears to be making appropriate progress toward Y2k compliance.

The Board was advised of two important developments concerning Y2k compliance. First, the Regents are requested to provide specific compliance information to the Department of Management (DOM) in order to complete the comprehensive annual financial report as required by the federal Government Accounting Standards Board. Second, the Legislative Oversight Committee (Committee) has requested the state's Year 2000 Project Office (located in DOM) to develop and provide a cost estimate for a private and independent verification of Y2k compliance for the judicial branch, legislative branch, and Board of Regents. Substantial information is being requested for delivery to the Year 2000 Project Office by October 2. The State's executive branch has already engaged a consultant that is monitoring all efforts in Y2k compliance activities by executive department agencies and is auditing their results. It was estimated that the cost to the State of the auditing aspect of this activity is in the neighborhood of \$4.5 million.

The Board Office, in order to help ensure the due diligence of the Regent institutions in pursuing Y2k compliance, is already working with the institutions to develop a "peer review" process especially for independent verification and validation of compliance with Y2k. Peer Review Team members are Sue Nichols (SUI), Rab Mukerjea and Wayne Ostendorf (ISU), Dennis Lindner (UNI), Jerry Siders (ISD), Larry Brennan (IBSSS), and Charles Wright (Board Office). This team will review each institution's activities in the areas commonly identified for Y2k compliance, and used by the State in its compliance review.

Notwithstanding this peer review process, the Regent institutions will need to provide certain information and data to the DOM and the Legislative Oversight Committee. To comply with the request will require extensive work on the part of the institutions.

The Board Office conducted an informal survey of several Midwestern state universities (University of Nebraska-Lincoln, University of Michigan, University of Minnesota, and University of Wisconsin System) and was informed that none of these institutions is required to participate in a mandated external audit.

Director Wright stated that the Regent institutions are making good progress. Many other state agencies are not making satisfactory progress toward Year 2000 compliance. A determination was made that there needs to be some kind of additional review. For that purpose, a peer review team with representatives of each institution and the Board Office was determined to be an appropriate way to evaluate progress.

MOTION: Regent Arenson moved to receive the report on progress by the institutions in achieving compliance with Year 2000 requirements and approve the peer review process, as described. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

Regent Kennedy stated that at its meeting the Banking Committee reviewed the annual investment and cash management reports, discussed Wilshire Associates' follow-up on Walter Scott's performance, and Year 2000 compliance of investment managers. The Banking Committee did not complete its agenda; therefore, the remainder of the agenda items would be covered at next month's meeting.

Regent Kennedy offered the following motion from the Banking Committee:

MOTION: Regent Kennedy moved to replace the current international investment company and request that Wilshire Associates bring recommendations on alternative investment companies and the appropriate procedures to the next meeting of the Banking Committee. Regent Arenson seconded the motion. MOTION CARRIED UNANIMOUSLY.

Regent Kennedy stated that the Banking Committee endorsed and congratulated Pam Elliott on her appointment as Director of Business and Finance.

(b) Sale of Dormitory Revenue Bonds, Series ISU 1998A – Hawthorn Court. The Board Office recommended that the Board adopt the following resolutions subject to the receipt of acceptable bids:

- (1) A Resolution providing for the sale and award of \$14,000,000 Dormitory Revenue Bonds, Series I.S.U. 1998A, and approving and authorizing the agreement of such sale and award.
- (2) A Resolution authorizing and providing for the issuance and securing the payment of \$14,000,000 Dormitory Revenue Bonds, Series I.S.U. 1998A, for the purpose of constructing and equipping of a residence hall and related facilities and making other necessary improvements to existing residence halls and related facilities, all located on the campus of Iowa State University of Science and Technology, including funding the debt service reserve fund and paying costs of issuing the Bonds.

At its July 1998 meeting, the Board authorized the Executive Director to fix the date(s) for the sale of the bonds, which would be sold to construct and equip student housing (a portion of the Hawthorn Court apartment units) and related facilities at Iowa State University and make other necessary improvements to the residence system. The bonds will be issued with a repayment period of 25 years, with debt service of approximately \$1,000,000 annually to be paid from net rents, profits and income from the operation of the residence system. The university's residence system is a self-supporting operation and receives no state appropriations.

A September 1998 sale for the bond issue was included on the proposed bond issuance schedule presented to the Banking Committee in June 1998. At that meeting the Board authorized the university to proceed with Phase 1, Hawthorn Court, of the university's proposed residence system master plan. Phase 1, in total, would construct apartments with 1,000 beds for single students and a food and retail convenience center in Hawthorn Court. The university's September capital register included a request for approval of a project description and budget in the amount of \$25,913,000 for the Phase 1 project. A portion of the apartment beds and the food and retail convenience center would be constructed as part of Phase 1a. The remaining portion of the Phase 1 project (Phase 1b) would be funded from bonds to be sold in May 1999 as included on the bond issuance schedule.

Mr. Fick stated that he was pleased to report that one bid was received from a group led by Piper Jaffray, Inc. It included a large group of many of the firms that sell tax-exempt securities in the state of Iowa. The bonds were sold at a true interest rate average over the 25-year maturity of 4.8421 percent. He compared the rates with the Delphis Hanover municipal market. The ratings on those bonds range from AAA to B securities. Iowa State University's bonds were rated A by Standard & Poor's and A1 by Moody's. The rates received on these bonds were lower than the rates received for the AAA rated securities on the national Delphis scale. He said the rates were very favorable and very low, in keeping with the general overall market.

Mr. Haynie stated that an adjustment would be written into the bond resolution to allow the bonds to be called at random out of two term bond maturities. The resolution will be changed to provide for two 5-year term maturities with callable amounts in each of the preceding four years. One other item also supplied by the terms of the successful bid was that these bonds will be reoffered at lower interest rates. The bids were inclusive of the underwriting spread.

**MOTION:**

Regent Kennedy moved to adopt the following resolutions: (1) A Resolution providing for the sale and award of \$14,000,000 Dormitory Revenue Bonds, Series I.S.U. 1998A, and approving and authorizing the agreement of such sale and award. (2) A Resolution authorizing and providing for the issuance and securing the payment of \$14,000,000 Dormitory Revenue Bonds, Series I.S.U. 1998A, for the purpose of constructing and equipping of a residence hall and related facilities and making other necessary improvements to existing residence halls and related facilities, all located on the campus of Iowa State University of Science and Technology, including funding the debt service reserve fund and paying costs of issuing the Bonds. Regent Fisher seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: None.

**MOTION CARRIED.**

President Newlin thanked Mr. Haynie and Mr. Fick for all of the professional work and advice they have given the Regents.

(c) Reimbursement Resolution for the Newton Road Parking Ramp, University of Iowa. The Board Office recommended that the Board adopt a revenue bond reimbursement resolution for the Newton Road Parking Facility project at the University of Iowa.

University of Iowa officials requested adoption of a resolution which will permit the university to be reimbursed from future revenue bond issues for the Newton Road Parking Facility project, which is a component of the Capital Plan for the Health Sciences Campus. The Board approved the schematic design, a project description, and a budget in the amount of \$11,950,000 for the project at its June 1997 meeting. Included in this month's capital register was a request to increase the project budget to \$12,800,000. The sources of funds for the project are Parking System Revenue Bonds and Utility System Revenue Bonds, with the utility bonds paying for structural shells for the Northwest Campus Chilled Water Plant cooling tower equipment.

The FY 1999 bond issuance schedule presented to the Banking Committee and Board in June 1998 included a sale of Parking System Revenue Bonds in November 1998 and Utility System Revenue Bonds in January 1999. Due to cash flow requirements and reserve balances for each of the two enterprises, university officials requested that the order of the sales be reversed with the Utility System Revenue Bonds to be sold in November 1998. The Board Office supported this adjustment to the schedule.

The reimbursement resolution was submitted at this time to ensure maximum reimbursement capability under regulations of the Internal Revenue Code. Project payments made not more than 60 days prior to adoption of the resolution are eligible for reimbursement. The contract for the Newton Road Parking Facility was awarded July 21, 1998. Until the bonds are sold, financing for the project will be provided by surplus and improvement funds from the university's parking and utility enterprise systems.

Regent Kennedy noted that the bonds would not be sold until November and January.

MOTION: Regent Kennedy moved to adopt a revenue bond reimbursement resolution for the Newton Road Parking Facility project at the University of Iowa. Regent Fisher seconded the motion, and upon the roll being called, the following voted:  
AYE: Ahrens, Arenson, Fisher, Kennedy, Lande, Newlin.  
NAY: None.  
ABSENT: Kelly, Pellett, Smith.

MOTION CARRIED.

**ANNUAL REPORT ON PHASED AND EARLY RETIREMENT PROGRAMS.** The Board Office recommended the Board (1) receive reports from the institutions on the operation of the phased and early retirement programs in fiscal year 1998 and (2) establish a present value rate of 5.27 percent for lump sum payout under the early retirement program for fiscal year 1999.

There are two ongoing programs in place relating to retirement at earlier than the normal retirement age for employees of the Board of Regents. The *phased retirement program* provides incentives to employees to reduce to part-time in anticipation of retirement. A total

of 44 employees entered into the *phased retirement program* during the past fiscal year. During fiscal year 1998, an estimated net saving of \$1.3 million was realized through the phased retirement program. The *early retirement program* provides incentives to employees who retire as early as age 57. In fiscal year 1998, 146 employees entered the program. A net saving of approximately \$8.7 million will be realized during the period of time the fiscal year 1998 retirees are participating in the early retirement program. Savings are reallocated within the institutions.

In June 1996, the Board reviewed the two programs and renewed them without change for the period July 1, 1998, through June 30, 2002.

Three of the institutions (Iowa School for the Deaf, University of Northern Iowa, and Iowa State University) participated in the Retirement Incentive Program in fiscal year 1998. This is a separate program which requires Board approval before an institution can offer it during a specific "window" application period. The program offers expanded benefits including access to TIAA-CREF cashability. Of the 146 early retirees noted above, 30 retired through the "window" program.

In addition to employees leaving the institutions through the early retirement programs, 202 faculty and staff left via regular retirement.

**MOTION:** Regent Arenson moved to (1) receive reports from the institutions on the operation of the phased and early retirement programs in fiscal year 1998 and (2) establish a present value rate of 5.27 percent for lump sum payout under the early retirement program for fiscal year 1999. Regent Ahrens seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**ANNUAL REPORT ON ENERGY CONSERVATION.** The Board Office recommended the Board (1) receive the annual report on energy conservation and (2) encourage the institutions to continue to pursue actively energy conservation measures and other methods to control energy costs.

The Regent institutions have significantly reduced their energy consumption on a BTU per gross square foot basis since FY 1979, the peak consumption year. Consumption has declined by approximately 17.3 percent per gross square foot at the University of Iowa, 37.6 percent at Iowa State University, and 18.4 percent at the University of Northern Iowa. The reductions since 1979 are more impressive than the data indicate considering the growth in the installation of energy-consuming research and diagnostic equipment, personal computers and air conditioning equipment. The University of Iowa and Iowa State University report only slight increases in energy consumption on a BTU per gross square foot basis from FY 1997 to FY 1998, while the remaining institutions report decreases in consumption.

There are wide differences among the institutions in the cost of energy because of the mix of fuels used, the amount of electricity generated versus purchased, and local utility rate structures. To control energy costs the institutions also contract for fuel at the lowest cost, use the least cost fuel if there is a choice, and schedule air handling units around class schedules.

Utility restructuring is in the beginning stages in Iowa and a legislative interim study committee has been appointed to review the issue. Major energy consumers are engaging in contract negotiations with utility companies in light of a restructuring electrical



utility industry. The University of Iowa recently entered into an agreement with the local utility (MidAmerican Energy) which allows the university the flexibility to use its generation assets to produce electrical energy in response to the prevailing market as well as purchase required generation capacity at market prices. It was estimated that this agreement should reduce the university's cost of purchased electricity by approximately \$590,000 in FY 1999 based on projected consumption. Both Iowa State University and the University of Northern Iowa have interconnection agreements with the local municipal utilities.

It was not yet clear how deregulation will impact electrical costs at all Regent institutions. Any reductions in energy costs due to deregulation are not likely to be significant enough to negate the positive impact of implementing well-planned conservation efforts. If energy costs increase, the life cycle cost analysis associated with potential energy conservation measures would have to be reevaluated as additional energy conservation efforts may become cost effective.

As utility restructuring progresses, the institutions will continue to monitor the potential impact on their energy programs. There is likely to be adequate time to evaluate the effect on energy costs and to make adjustments in energy conservation efforts.

**ACTION:** President Newlin stated the Board (1) received the annual report on energy conservation and (2) encouraged the institutions to continue to pursue actively energy conservation measures and other methods to control energy costs, by general consent.

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

Appointment: Diana Gonzalez, Assistant Director, Academic Affairs and Research, effective September 1, 1998, at an annual salary of \$52,000 plus the usual fringe benefits.

Change: Pamela Elliott from Associate Director Business and Finance to Director, Business and Finance, effective August 21, 1998, at an annual salary of \$89,500 plus the usual fringe benefits.

Resignation: Scott Randolph, Associate Director Information Systems, effective August 31, 1998.

Appointment: Charles K. Wright as Director of Legal Affairs, Human Resources and Information Systems, effective September 18, 1998, at an annual salary of \$102,477 plus the usual fringe benefits.

Executive Director Stork stated that three Board Office searches had been completed with the recommended appointments of two new directors, Pam Elliott and Charles Wright, and an Assistant Director, Dr. Diana Gonzalez.

President Newlin welcomed the three Board Office appointees, noting that the Board appreciated their willingness to take on the tasks.

**MOTION:** Regent Lande moved to approve personnel transactions, as presented. Regent Ahrens

seconded the motion. MOTION CARRIED  
UNANIMOUSLY.

Regent Arenson said it was a pleasure to have Pam Elliott and Charles Wright in their new capacities. He did not want to leave out Bob Barak who “sits there quietly” and “provides everything we need”. It was a pleasure to have Dr. Barak at the Board Office.

Provost Whitmore stated that Bob Barak is the person who brings together the group of provosts who talk about academic affairs, for which he thanked Dr. Barak. He thinks Dr. Barak helps the provosts define issues they have in relationship to each other. It has been a pleasure for him to work with Dr. Barak. He has been a help to all of the provosts in doing their jobs.

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

A student attending Iowa State University requested the Board hear an appeal of the university's decision regarding residency status for the purpose of tuition reduction.

The request for appeal was reviewed by the Regents' Residency Review Committee composed of the Vice Presidents for Student Affairs at the three Regent universities or their designee and that committee recommended that the request for appeal be denied.

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

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

**EMPLOYEE APPEAL.**

President Newlin stated that upon the advice of Special Assistant Attorney General Stahle, this item was withdrawn from the docket for consideration this month.

**REGENT AFFILIATED ORGANIZATION REPORT ON THE STANTON MEMORIAL CARILLON FOUNDATION – IOWA STATE UNIVERSITY.** The Board Office recommended the Board receive the annual affiliated organization report on the Stanton Memorial Carillon Foundation.

The Stanton Memorial Carillon Foundation, affiliated with Iowa State University, was created in 1954 to preserve, improve, and further the advancement of the carillon. The carillon of 50 bells is housed in the campanile on the campus of Iowa State University.

Funds of the Stanton Memorial Carillon Foundation are managed by the ISU Foundation and are incorporated within the ISU Foundation audits. The treasurer's report for the Stanton Memorial Carillon for the year ended March 31, 1998, lists revenues of \$293 from gifts and earnings, disbursements of \$5,792, net income of (\$5,499), and an ending cash balance in the treasury of \$62,854.

ACTION: This report was received on the consent docket.

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

October 21-22, 1998	University of Northern Iowa	Cedar Falls
November 18-19, 1998	Iowa State University	Ames
December 3, 1998	West Des Moines Marriott Hotel	West Des Moines
January 20, 1999	Telephonic Conference Call	
February 17-18, 1999	University of Iowa	Iowa City
March 17-18, 1999	Iowa State University	Ames
April 21, 1999	Iowa Braille and Sight Saving School	Vinton
April 22, 1999	University of Northern Iowa	Cedar Falls
May 19-20, 1999	Iowa School for the Deaf	Council Bluffs
June 16-17, 1999	University of Iowa	Iowa City
July 14-15, 1999	Iowa State University	Ames
September 15-16, 1999	University of Northern Iowa	Cedar Falls
October 20-21, 1999	University of Iowa	Iowa City
November 17-18, 1999	Iowa State University	Ames
December 15-16, 1999	(To be determined)	Des Moines
January 19, 2000	Telephonic Conference Call	
February 16-17, 2000	University of Iowa	Iowa City
March 15-16, 2000	University of Northern Iowa	Cedar Falls
April 19-20, 2000	Iowa School for the Deaf	Council Bluffs
May 17, 2000	Iowa Braille and Sight Saving School	Vinton
May 18, 2000	University of Northern Iowa	Cedar Falls
June 21-22, 2000	Iowa State University	Ames
July 19-20, 2000	University of Northern Iowa	Cedar Falls
September 13-14, 2000	University of Iowa	Iowa City
October 18-19, 2000	Iowa State University	Ames
November 15-16, 2000	University of Iowa	Iowa City
December 20-21, 2000	(To be determined)	Des Moines

ACTION: The Board meetings schedule was approved, on the consent docket.

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 and Thursday, September 23 and 24, 1998.

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

Register of Personnel Changes for June and July 1998.

Provided for the Board's information was the appointment of R. Wayne Richey as a 60 percent time temporary employee of the University of Iowa at an annual salary of \$67,200 effective September 13, 1998.

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

**REPORT ON TEACHING EXCELLENCE AT THE UNIVERSITY OF IOWA.** The Board Office recommended the Board receive the oral report on teaching excellence at the University of Iowa.

During the last two years, the Board has supported the New Technology in the Learning Environment (nTITLE) program, through which faculty members are trained to introduce electronic technology into the classroom.

Professor Lisa Troyer of the Department of Sociology discussed how the tools and skills she acquired in nTITLE summer workshops have enhanced her students' experience in a large introductory sociology class. The presentation included a demonstration of a course Web site and multimedia course materials, as well as a discussion of how these tools have contributed to students' acquisition of skills and to increased efficiency in the administration of large classes.

A characteristic of quality university education is that it offers well-motivated undergraduate students the opportunity to advance far beyond the usual lecture-notes-exam paradigm. Many opportunities of this type exist at the University of Iowa; one of the most important is the Honors Program, through which hundreds of students participate in advanced-level honors and research practica. Two students discussed their experiences with the Honors Program; Professor Alice Fulton, the director, described the overall program.

Allison Green is a freshman at the University of Iowa this fall. She was identified during the applications process as an outstanding prospect (among other things, she achieved a perfect ACT math score). Professor Malcolm Yeh, a neurologist who tracks electric impulses in the brain, asked for a student assistant with strong math skills. Allison was

hard at work in the lab even before she attended her first university class, to the mutual benefit of herself, Dr. Yeh, and the university.

Professor Alice Fulton, Honors Program Director, discussed the program in general, emphasizing the fact that it is not a highly selective program affecting only a handful of students. Rather, it is extremely broad-based and involves hundreds of students, many of whom are motivated to earn Honors Degrees. This recognition involves completion of an extensive Honors Thesis, not merely a high grade point average.

Provost Whitmore introduced Professor Robert Wiley, President of the University of Iowa Faculty Senate.

Professor Wiley stated that in the past several months the Faculty Senate had organized presentations to the Board on research and on service. Faculty thought it was important to prepare a presentation on the third leg of the academic stool: teaching. Last spring, the Faculty Senate demonstrated that university faculty devote a substantial amount of time to teaching. He said the statistics do not take into account the quality of teaching. The Board would be provided with a couple of glimpses of teaching quality. He introduced Professor Lisa Troyer, whom he said was one of the most ardent advocates of the nTITLE program.

Professor Troyer thanked the Regents for supporting the nTITLE program. She said students learn more by doing, especially in large classes. The presentation she showed the Regents was based on what she learned in nTITLE. She uses the World Wide Web to deliver assignments to students. There are many different and new ways to deliver instruction to students including chat rooms where quiet students are able to ask questions versus in a classroom of 300 students. She presented graphs of students' opinions 1996, 1997 and 1998 on how well they are learning. She concluded by stating that the University of Iowa is recognized as a leader in integrating technology with pedagogical approaches to learning.

Regent Kennedy asked if there are opportunities for follow up contact among faculty who have been involved in nTITLE. Professor Troyer responded that there is an electronic virtual community, live chat rooms, and workshops in the information arcade in the library where faculty demonstrate what they are doing in their classrooms.

Regent Kennedy asked if faculty continuously seek student evaluation as faculty try new things. Professor Troyer responded that each and every course at the university is regularly evaluated. Students are provided with a set of questions at the end of every semester. Faculty can supplement those questionnaires with questions of their own choosing. Whether a faculty member chooses to evaluate a new technology is up to the individual.

Regent Pellett asked how many people are involved in nTITLE. Professor Troyer responded that the program involves a 4-1/2 day training seminar in the summer. Last summer 4 sessions were held. This year 5 sessions were held. Each session accommodates 25 faculty members. About 250 faculty have now been trained. She noted that the technologies are available whether or not faculty take the training.

Regent Kennedy asked about selection of faculty for participation in nTITLE and how to get faculty interested in the program. Professor Troyer said she was interested in utilizing multimedia for teaching. There was a selection process within her department and it was recognized that she really wanted to get involved in the program.

Provost Whitmore stated that nTITLE is an ongoing program. Ninety-eight people were involved the first year; 120 this year. Originally when university officials sent out the request for interest, 520 faculty responded and 480 of those wanted the training. Some of the faculty who have gone through the program have helped train their colleagues.

Professor Troyer stated that the Department of Sociology has provided workshops for faculty who have not been able to attend nTITLE.

Regent Pellett said the number of faculty members interested in being involved in the program shows a terrific desire for professors to do a better job of teaching.

Provost Whitmore stated that within two more years the university will have a core set of faculty trained in the technology. The appropriation is for ongoing funding. He sees this effort perpetuating itself as faculty become more skilled.

Regent Arenson asked about the cost for nTITLE. Provost Whitmore responded that the university had received \$700,000 in FY 1999 appropriations. University officials were hoping to get in excess of \$1 million for FY 2000 because it would be enough money to circulate the program throughout the faculty over a 5-year period of time.

Professor Troyer noted that when faculty members graduate from the program they receive \$3,000 to allow them to take the next step they need for instructional improvement technology.

Provost Whitmore stated that some of the new faculty come in with the technology knowledge. There are more faculty using the technology than just those who are training through nTITLE. More faculty become interested in the program once they see what is being done by faculty who have gone through the training. Simultaneously, more and more classrooms are being brought up to speed. This year 13 existing classrooms had new technologies added to them.

Regent Arenson asked for the percentage of classrooms wired for the new technology. Provost Whitmore responded that 60 to 70 of 200 general assignment classrooms have been wired for the new technology. By the end of 5 years all general assignment classrooms will be up to speed with technology.

Regent Arenson asked how those numbers compared with the other two Regent universities. President Jischke responded that it was about the same at Iowa State University. Interim Provost Podolefsky responded that the ongoing difficulty at the University of Northern Iowa is in replacing high level computers.

Regent Arenson asked how the universities relate to their peers that way. Provost Whitmore said the University of Iowa was somewhere in the middle of the mix. The university is not as far along as university officials would like it to be. Other provosts are struggling with the same issues.

Provost Whitmore said there are many items in the university's budget request that, if approved, would help move these efforts along faster.

President Newlin thanked Professor Troyer for her presentation.

Professor Wiley stated that part of achieving a quality education is one-on-one contact with senior faculty. One way to accomplish that at the University of Iowa is through the

Honors Program. He stated that Professor Alice Fulton was Director of the Honors Program. He then introduced Allison Green, a freshman from Cherokee.

Ms. Green stated that she is a biomedical engineering student with a Spanish minor. She came from a small high school to a large university because she could not ignore the excellence of the academics at the University of Iowa. What really caught her attention was the opportunity to do research projects. The Honors Program matches students with faculty members. Ms. Green's long-term goal is medical school and then to do research. She received a perfect opportunity coming in as a freshman. Her current project involves working with a professor in the hospital. She described her research efforts and what she has learned. She concluded by thanking the Regents for their support.

Professor Wiley introduced Chad Doobay, a junior in global studies, who was asked to fill in for another student who had planned to make a presentation to the Board.

Mr. Doobay stated that global studies was an honors-only program until last year when it was opened up to all students because it had become so popular. He discussed his honors research practicum project. Next year he will be studying abroad in France, pursuing research on nationalism in France. Last semester he was matched up with a professor of international comparative law in the law school. He works about 10 hours/week as a research assistant. It is rare for an undergraduate to have such an opportunity. The faculty member has tried to make the research project relate to what Mr. Doobay will be doing next year in France. Mr. Doobay meets with the professor regularly. He said there was no way he would have been able to do this outside of the Honors Program. He is now considering going to law school.

Professor Fulton described the Liberal Arts Honors Program.

Regent Lande asked about the requirements for staying in the Honors Program. Professor Fulton responded that students must have at least a 3.2 grade point average to be eligible for the program. Fifteen percent of the student body is eligible. There was no longer a requirement of a written letter of recommendation.

Regent Lande asked for the requirement to enter the Honors Program. Professor Fulton responded that in addition to the grade point average requirement, ACT score and class rank were also considerations.

Professor Wiley thanked the Regents for the opportunity to make this presentation.

**ACTION:** President Newlin stated the Board received the oral report on teaching excellence at the University of Iowa, by general 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.

**PERMISSION TO PROCEED WITH PROJECT PLANNING**

University Hospitals and Clinics--Development of Hospital Dentistry Institute

University officials requested permission to proceed with planning and to negotiate an agreement for design services with Hansen Lind Meyer to develop space in the Pomerantz Family Pavilion to house the Department of Hospital Dentistry. The project will finish

approximately 15,000 gross square feet of space on the fifth level of the Pomerantz Pavilion for the department which will be relocated from its current location in the General Hospital. The project will also include completion of approximately 9,000 gross square feet of public corridor space on the fifth level of the Pomerantz Pavilion and the adjoining overhead walkway to the Pappajohn Pavilion to provide access from other areas of University Hospitals.

The Department of Hospital Dentistry began as the oral and maxillofacial surgery service and residency training program at University Hospitals and Clinics in 1954. The Department of Hospital Dentistry was formally established in 1972 to provide the full spectrum of inpatient and outpatient dental services. Today the department is recognized nationally and internationally for its research in reconstructive materials and diseases of the temporomandibular joint, as well as dental implantology.

The department currently has a faculty of 42 providing care in all eight dental specialties and provides training for 16 residents and interns. The program includes the dental scientist tract and many of the department's graduates become future academic teachers. This program is one of only three in the country funded by the National Institute of Dental Research to allow residents in oral and maxillofacial surgery to additionally obtain a Ph.D. in a basic science.

The department's ambulatory care clinic, operatories, laboratory, x-ray facilities, faculty and staff offices, and conference and teaching facilities are currently located in 12,600 square feet of space, most of which is located on the second level of the 1926-vintage General Hospital. Several faculty and staff offices, a conference room and other departmental support rooms are located on the first floor of the General Hospital. These facilities were renovated during the late 1970s and 1980s, but due to the lack of available space and the restrictive physical characteristics of the General Hospital they are no longer capable of meeting patient care, educational and clinical research needs.

The development of space in the Pomerantz Family Pavilion will resolve the various deficiencies with the department's existing space and will permit expansion of existing services and the development of new clinical initiatives.

The General Hospital space to be vacated by the Department of Hospital Dentistry will be allocated to the College of Medicine to assist in the relocation of occupants of the Steindler Building, which is the site of the Medical Education and Biomedical Research Facility. The space will also be used to house the School of Public Health to be established by the university. The school will be developed to address the unmet needs of lowans and will provide students with the opportunity to pursue public health degrees or certificates on campus as well as by distance learning. State appropriated funds are recommended for FY 2000 and FY 2001 for the School of Public Health initiative.

University officials requested approval to negotiate an agreement with Hansen Lind Meyer to provide design services for the project. Hansen Lind Meyer has provided design services for other projects in the Pomerantz Family Pavilion and therefore this action was requested in lieu of undertaking the architectural selection process in order to ensure continuity in the design of the pavilion. University officials will return to the Board for approval of the negotiated agreement.

The estimated cost of the project is \$3,800,000 which will be funded by University Hospitals Building Usage funds.

Regent Lande referred to the development of the Hospital Dentistry Institute and asked for the nature of the work including how much of the cost was for equipment and how much was for



space. Vice President True responded that it was basically shell space, which would be developed by adding walls, HVAC and plumbing. Moveable equipment was about 15 percent of the total budget.

Regent Lande said it appeared to him that the project costs of \$250/foot seemed like a lot of money to build new space. Vice President True said this was for a pretty intense level of activity in dentistry, similar to what is done in some of the scientific research areas including provision of atmospheric controls.

### Iowa Advanced Technology Laboratories—Third Floor Laboratories

University officials requested permission to proceed with project planning to complete the third floor laboratory wing of the Iowa Advanced Technology Laboratories. This portion of the building was constructed as shell space and will be completed as laboratory space that will support wet laboratory science. The finished area will total 11,400 net square feet and will accommodate the laboratory sciences faculty of the Colleges of Liberal Arts and Engineering.

The project cost was estimated at approximately \$2,300,000. The project will be funded by Building Renewal funds and Income from Treasurer's Temporary Investments.

### PROJECT DESCRIPTIONS AND BUDGETS

University Hospitals and Clinics—Pharmacy Storage, Processing \$845,000  
and Office Support Facility—Phase 2

Source of Funds: University Hospitals Building Usage Funds

#### Preliminary Budget

Construction	\$ 676,000
Architectural/Engineering Support	67,600
Planning and Supervision	33,800
Contingency	<u>67,600</u>
 TOTAL	 <u>\$ 845,000</u>

University officials requested approval of a project description and budget in the amount of \$845,000 for Phase 2 of the project which will remodel an additional 3,374 square feet of space on the lower level of the General Hospital. The project will include remodeling offices and support areas, development of an equipment room, installation and upgrades of heating, ventilating and air conditioning equipment, and the relocation and repair of utilities.

Macbride Hall—Correct Fire Safety Deficiencies—Install Sprinkler System—Basement, Ground First and Second Floors

\$817,000

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

Preliminary Budget

Construction	\$ 649,500
Design, Inspection and Administration	
Consultants	65,500
Design and Construction Services	37,050
Contingency	<u>64,950</u>
 TOTAL	 <u>\$ 817,000</u>

University officials requested approval of a project description and budget in the amount of \$817,000 to install a new fire detection and sprinkler system in Macbride Hall to correct fire safety deficiencies in the building. The project area will include approximately 63,000 gross square feet on the basement, ground, first and second floors. The university has previously undertaken projects to install sprinkler systems in the auditorium and third floor of the building.

The project will include the installation of the sprinkler system and a new detection system, replacement of the fire alarm system and fire hose cabinets, and improvements to exit signs and emergency lights. In addition, the project will include ceiling replacements in selected areas on the first and second floors.

University officials reported that the project will be designed to minimize the impact on the historical character of the building.

Indoor Practice Facility—Replace Fabric

\$509,000

Source of Funds: Athletic Improvement and Replacement Funds  
and Insurance Settlement

Preliminary Budget

Construction	
Fabric Replacement	\$ 365,500
Lighting System Repair	72,500
Fabric Removal and Reinstallation	30,000
Reposition Air Handling Units	10,000
Miscellaneous	9,500
Design, Inspection and Administration	15,000
Contingency	<u>6,500</u>
 TOTAL	 <u>\$ 509,000</u>

In July 1998 the Board received a report on storm damage to the campus that occurred from the June 29, 1998 storm which caused the fabric roof of the Indoor Practice Facility to collapse. University officials received Board approval to contract for the purchase and installation of a new fabric roof with the original manufacturer, Air Structures American Technologies. University officials have proceeded with the purchase of the new roof and requested approval of a project description and budget in the amount of \$509,000 for the roof replacement and various repairs to the Indoor Practice Facility.

This project will replace the fabric portion of the structure and make other necessary repairs to return the facility to use. The main work elements of the project include the salvage work (which occurred immediately following the storm), the fabrication, installation and inflation of the fabric structure, and repair of the lighting system.

Subsequent to Board action in July, a purchase order in the amount of \$365,500 was issued to Air Structures American Technologies for the new fabric. Air Structures American Technologies has assisted the university in the removal of the damaged fabric and will assist in the reinstallation of the new fabric and cable systems.

In addition to the roof structure, the custom-designed lighting system was damaged with the collapse of the roof. Representatives of the lighting manufacturer, Musco Sports Lighting, have inspected the damaged lighting system and have submitted an estimate of \$72,500 for repairs to the system. This work will include the repair and replacement of light poles, light fixtures, aluminum cross arms, reflectors and lamps.

The project also requires the repositioning of one of the main air handling units and repairs to the unit's utility connections. The unit was pulled six to eight inches from its original position by the high winds. Miscellaneous costs are included in the budget for shipping and handling of the new fabric and minor hardware replacements.

Spence Laboratories of Psychology—Connect to Chilled Water

\$509,000

Preliminary Budget

Construction	\$ 395,100
Design, Inspection and Administration	
Consultants	62,432

Design and Construction Services	11,900
Contingency	<u>39,568</u>
 TOTAL	 <u>\$ 509,000</u>
 Source of Funds:	
Building Renewal or Income from Treasurer's Temporary Investments	\$ 310,000
Utility Enterprise Improvement and Replacement Fund	<u>199,000</u>
	<u>\$ 509,000</u>

University officials requested approval of a project description and budget in the amount of \$509,000 to extend chilled water service to the Spence Laboratories of Psychology on the east campus. The university initiated a central chilled water system on the east campus in 1988 and has expanded the system to a substantial number of east campus buildings. The project will improve the air conditioning system in the Spence Laboratories and make replacement of the obsolete chiller unnecessary. Work will include the installation of chilled water mains and the necessary building interface, and removal of the cooling tower system and chiller.

Oakdale Campus, Steam System Improvements—Phase II

\$431,000

Source of Funds: Utility Enterprise Improvement and Replacement Funds

Preliminary Budget

Construction	\$ 367,200
Design, Inspection and Administration	
Consultants	18,490
Design and Construction Services	8,000
Contingency	<u>37,310</u>
 TOTAL	 <u>\$ 431,000</u>

University officials requested approval of a project description and budget in the amount of \$431,000 to replace approximately 2,400 feet of badly deteriorated, direct buried steam and condensate piping in various locations. The project will include installation of a pre-insulated piping system and the rebuilding and ventilation of associated steam vaults. In addition, compressed air lines will be extended from the Oakdale Power Plant to associated pressure relief valves, and conduits will be installed for future installation of control wiring for steam metering.

Power Plant—Replace Boiler 11 Fuel Handling System

\$380,000

Source of Funds: Utility Enterprise Improvement and Replacement Funds

Preliminary Budget

Construction	
Materials	\$ 230,000
Labor	85,000
Design, Inspection and Administration	15,000
Utilities, Labor and Material	25,000
Contingency	<u>25,000</u>
 TOTAL	 <u>\$ 380,000</u>

University officials requested approval of a project description and budget in the amount of \$380,000 to replace the fuel handling system which serves Boiler 11, which is the base load boiler unit in the university's power plant. The fuel handling system has been determined to be inadequate and unreliable and must be replaced as soon as possible. The fuel handling and coal unloading systems for Boiler 11 were modified as part of the Main Power Plant--Modification of Boiler No. 11 project which was approved by the Board in 1994. The primary purpose of the modifications to the fuel handling and coal unloading system component of the project was to provide the additional capability to receive and handle petroleum coke and western coal in addition to bituminous coal.

The system, which has been in operation for more than two years, has failed on numerous occasions, resulting in boiler outages ranging from one hour to three weeks in length. The system requires additional modifications to improve its reliability to an acceptable level. The university has participated in several meetings with the contractor to discuss suggestions for correcting the problem. Stanley Consultants, who was retained by the university to assist in identifying a means of improving reliability, has recommended the purchase and installation of a modified fuel handling and coal unloading system. The

university is continuing to seek resolution from the original contractor. The project will be carried out via the purchase order process.

Newton Road Parking Facility

June 1997 Budget \$11,950,000  
 September 1998 Budget \$12,800,000

Project Budget

	Initial Budget <u>June 1997</u>	Revised Budget <u>Sept. 1998</u>
Construction		
Parking Ramp and Site Development	\$ 7,600,000	\$ 8,616,131
Chilled Water Plant Space, Cooling Tower Shells and Site Development	1,600,000	1,952,400
Parking Control and Security Equipment	360,000	250,000
Design, Inspection and Administration		
Consultants	765,815	765,815
Design and Construction Services	668,185	688,185
Contingency	<u>956,000</u>	<u>527,469</u>
 TOTAL	 <u>\$ 11,950,000</u>	 <u>\$ 12,800,000</u>
 Source of Funds:		
Parking System Revenue Bonds	\$ 9,950,000	\$ 10,360,000
Utility System Revenue Bonds	<u>2,000,000</u>	<u>2,440,000</u>
 TOTAL	 <u>\$ 11,950,000</u>	 <u>\$ 12,800,000</u>

University officials requested approval of a revised project budget in the amount of \$12,800,000, an increase of \$850,000, which is required to reinstate portions of the budget that were utilized to allow award of the construction contract.

Three bids were received for the construction contract on July 9, 1998. The low bid in the amount of \$10,368,900 exceeded the engineer's estimate by approximately 0.6 percent. The low bid also exceeded the total construction budget of \$9,560,000. However, the university received very good bids for the work (with a range of approximately 1.0 percent) and requested award of the contract to the low bidder in order to keep the project on schedule and take advantage of the construction season. The contract was awarded to the low bidder since the award could be made within the total project budget of \$11,950,000, utilizing all budgeted construction funds and the majority of the project contingency.

At the time of the contract award, university officials indicated plans to request Board approval of a revised budget at the September meeting to reinstate the funds utilized for the contract award. In addition, university officials indicated they would evaluate the possible acceptance of four alternates to the construction contract and include the necessary funds for the selected alternates in the revised budget.

The revised budget of \$12,800,000 reflected the reinstatement of the necessary construction funds and a project contingency. The construction budget also includes funds to allow award of two alternates totaling \$74,631, and materials testing, analysis and quality control services during construction at a cost of \$128,000.

University Parking System—Hospital Parking  
Ramp No. 1—Facility Improvements  
Source of Funds: Parking System Improvement  
and Replacement Funds

March 1998 Budget \$558,000  
September 1998 Budget \$842,000

Project Budget

	Initial Budget <u>March 1998</u>	Revised Budget <u>Sept. 1998</u>
Construction	\$ 447,000	\$ 673,400
Design, Inspection and Administration		
Consultants	56,638	85,380
Design/Construction Services	10,362	15,620
Contingencies	<u>44,000</u>	<u>67,600</u>
 TOTAL	 <u>\$ 558,000</u>	 <u>\$ 842,000</u>

University officials requested approval of a revised project budget in the amount of \$842,000, an increase of \$284,000, which reflects an increase in the project scope to include conduit chases, status scanners, and new waste receptacles. The revised budget also reflects a higher construction estimate for the project.

Two responsive bids were received for this project on June 2, 1998. Both bids exceeded the engineering estimate and construction budget by more than 38 percent, and the total initial project budget by more than 11 percent. The Executive Director authorized the university to reject the bids and review the project for re-bidding in the late summer or early fall in an effort to receive more favorable bids. During the reevaluation of the project, the scope was increased to include the additional elements. In addition, the construction estimate was increased in preparation for the second bid opening for the project.

Upgrade Underground Petroleum Storage Tanks

May 1998 Budget \$616,000  
September 1998 Budget \$977,000

Project Budget

	Initial Budget <u>May 1998</u>	Revised Budget <u>Sept. 1998</u>
Construction	\$ 475,000	\$ 793,000
Design, Inspection and Administration	76,000	118,000
Drilling and Testing	16,000	17,000
Contingencies	<u>49,000</u>	<u>49,000</u>
TOTAL	<u>\$ 616,000</u>	<u>\$ 977,000</u>
Source of Funds:		
UIHC Building Usage Funds	\$ 521,800	\$ 813,400
Building Renewal Funds	39,400	56,600
Iowa Memorial Union Improvement Funds	24,600	24,100
Parking System Improvement Funds	16,000	46,800
Athletic Department Improvement Funds	<u>14,200</u>	<u>36,100</u>
TOTAL	<u>\$ 616,000</u>	<u>\$ 977,000</u>

University officials requested Board approval of a revised project budget in the amount of \$977,000, an increase of \$361,000, to allow award of the construction contracts for the project. Only one bid was received for the project on June 12, 1998. The single bid in the amount of \$1,348,550 exceeded both the engineering estimate and the project budget by significant amounts. The Executive Director authorized the university to reject the bid and divide the project into smaller components, based on the individual underground tank replacement locations, for re-bidding through informal quotations or negotiations.

University officials have completed this process and request award of two construction contracts for the six individual projects totaling \$731,330.89. The proposed contract awards require approval of the revised project.



Jefferson Building—Ventilation Improvements

Source of Funds: Building Renewal

May 1998 Budget \$374,000

August 1998 Budget \$627,000

Project Budget

	Initial Budget <u>May 1998</u>	Revised Budget <u>Aug. 1998</u>
Construction	\$ 276,400	\$ 500,450
Design, Inspection and Administration		
Consultants	46,050	46,050
Design/Construction Services	23,540	30,000
Contingencies	<u>28,010</u>	<u>50,500</u>
 TOTAL	 <u>\$ 374,000</u>	 <u>\$ 627,000</u>

University officials presented a revised project budget in the amount of \$627,000, an increase of \$253,000, which was approved by the Executive Director to allow award of the construction contract. Two bids were received for the above-referenced project on June 26, 1998. The low bid in the amount of \$468,954 exceeded the engineering estimate by approximately 77.5 percent. The two bids had a range of approximately 16 percent and the university believed they were a fair representation of the work. The university attributed the high bids to several factors including a restrictive bidding climate, and increased project costs resulting from an expanded project scope to include asbestos abatement, the decision to coordinate the project with a concurrent roof replacement project at the Jefferson Building, and various difficulties with the construction site.

University officials requested Executive Director approval of a revised project budget and award of the construction contract to the low bidder in the amount of \$468,954 to allow the project to proceed on schedule. Since the work was being coordinated with the roof replacement project, this required the university to begin the project in the summer months or postpone the project until next spring.

\* \* \* \* \*

University officials presented 15 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

University Services Building

\$364,000

OPN Architects, Cedar Rapids, Iowa

University officials presented a negotiated agreement for Board approval. The agreement will provide full design services through construction documents and will include construction services. The agreement provides for a fixed fee of \$351,000 plus \$13,000 for reimbursables, for a total of \$364,000.

University officials also requested approval of contracting procedures for construction of the University Services Building. Completion of the new building and occupancy by the Human Resources Department is required by October 1, 1999, in order to avoid moving the department twice following its vacation of Eastlawn. University officials indicated that it would not be possible to meet this schedule with a conventional design-bid-construct procedure. Therefore, university officials proposed to utilize a fast-track approach to delivery of this project. The Regents Procedural Guide permits the fast-track approach (Chapter 9.06 D.2.).

The contracting procedures proposed by the university provide for public, competitive bidding of each project component in several sequentially issued bid packages. University officials plan to request Board approval of the project description and budget for the University Services Building at the October 1998 meeting. The university plans to advertise for bidding of the Phase I bid package prior to the October meeting, and receive bids for this package on October 23, 1998, immediately following the Board meeting.

The Phase I work will include site demolition and preparation, construction of footings and foundations or caissons, and the structural steel package. In addition, the Phase I bid package will require the contractor to serve as the general contractor and accept the assignment of several packages of sub-contracts to be publicly bid at a later date(s) and the coordination of those sub-contractors. The sub-contracts will include the components of the building shell, an interior build-out and site development package, and furniture installation. These sub-contracts will be assigned to the general contractor under a procedure to be developed with the selected contractor. In addition, the general contractor will be expected to participate in planning the remaining contract packages.

University officials will request Executive Director approval of the contract award for the Phase I bid package. If the contract is awarded by the Executive Director, it will be presented for Board ratification at the subsequent Board meeting.

University officials believe the proposed procedure will allow the site work contract to be awarded in time to permit a pre-winter season construction start, which will facilitate completion of the project according to schedule. This procedure will also permit the general contractor to participate in the completion of contract documents and to add to the firm's construction management ability.

Iowa Advanced Technology Laboratories—Third Floor Laboratories  
Herbert Lewis Kruse Blunck, Des Moines, Iowa

University officials requested approval to enter into an agreement with Herbert Lewis Kruse Blunck to provide design services for the project. The firm was one of the original project architects for the Iowa Advanced Technology Laboratories. The agreement will include the services of Alvine and Associates (mechanical/electrical engineering consultants) and Research Facilities Design (laboratory planning consultants).

University officials will return to the Board for approval of the negotiated agreement.

Macbride Hall—Correct Fire Safety Deficiencies—Install Sprinkler System—Basement, Ground First and Second Floors \$62,500  
Rohrbach Carlson, Iowa City, Iowa

University officials requested approval to enter into an agreement with Rohrbach Carlson to provide design services for the project. The agreement provides for a fee of \$62,500, including reimbursables.

Spence Laboratories of Psychology—Connect to Chilled Water  
Shive-Hattery, Iowa City, Iowa

\$59,432

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 of \$59,432, including reimbursables.

Oakdale Campus, Steam System Improvements—Phase II \$18,490  
NNW, Inc., Iowa City, Iowa

University officials requested approval to enter into an agreement with NNW, Inc., to provide design services for the project. The agreement provides for a fee of \$18,490, including reimbursables.

Institutional Roads—Highway 6 Pedestrian Overpass—Westlawn \$182,990  
to International Center  
Shive-Hattery, Iowa City, Iowa

University officials requested approval to enter into an agreement with Shive-Hattery to provide design services for the construction of a new pedestrian bridge across Highway 6 which will connect the sites of the International Center and Westlawn. Construction of the overpass will be integrated with the projects of the Health Sciences Campus Plan. The project is included in the 1999-2004 Institutional Roads Program approved by the Board in July 1998.

The preliminary cost estimate for the project is between \$800,000 and \$1,000,000. A project description and budget will be submitted for Board approval following completion of the schematic design.

The agreement will provide full design services through construction documents and includes construction services for the project. The agreement provides for a fee of \$182,990, including reimbursables.

Biological Sciences Renovation/Replacement—Phase II \$115,000  
Brooks Borg and Skiles, Des Moines, Iowa

University officials requested approval to enter into an agreement with Brooks Borg and Skiles for final schematic design services for Phase II of the project, which is the university's top priority for FY 2001 state funding. The agreement provides for a fee not to exceed \$115,000, which includes \$15,000 for reimbursables

Amendments:

Biological Sciences Renovation/Replacement-Phase I Amendment #3 \$85,205  
Brooks Borg and Skiles, Des Moines, Iowa Amendment #4 \$46,700

University officials requested approval of Amendments #3 and #4 to the agreement with Brooks Borg and Skiles for the Biological Sciences Renovation/Replacement Phase I project.

Amendment #3 in the amount of \$85,205 will provide for the evaluation and re-design of various components in the Biology Annex Building including the structural floor system, fire-rated steel windows, fire shutters and library security system, and the water purity system for Biology Building East. The amendment will also increase reimbursables to cover additional production costs for project documents.

Amendment #4 in the amount of \$46,700 will provide compensation for additional design services associated with the connecting walkway. The original walkway design did not include the appropriate connector requirements to provide the necessary support.

Amendments #3 and #4 will not result in an increase in the total project budget.

Levitt Center for University Advancement-- Amendment #2 \$68,100  
Furnishings Consultation  
Brooks Borg and Skiles, Des Moines, Iowa

University officials requested approval of Amendment #2 in the amount of \$68,100 to the agreement with Brooks Borg and Skiles for furnishing consultation services for the Levitt Center for University Advancement. The project is funded by revenue bonds and gifts to the University of Iowa Foundation.

The amendment will provide compensation for additional services which includes engineering and design assistance for securing art work in the atriums, incorporating donor recognition into room identification signs, various owner-requested modifications, and additional site visits and construction administration services.

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

University officials requested approval of Amendment #1 in the amount of \$26,000 to the agreement with Wehner Pattschull and Pfiffner for the razing of the Steindler Building. The amendment will provide compensation for expanded construction observation and administration services.

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

## CONSTRUCTION CONTRACTS

Campus Fiber Optic Network—Project 10— \$1,133,445  
Communications Wiring Package  
Award to: Tri-City Electric Company, Davenport, Iowa

Four bids were received for this construction contract on June 11, 1998. The bids ranged from a low of \$1,041,177 submitted by Communication Innovators, Inc., to a high of \$1,526,341. Article 14 of the instructions to bidders stipulated that bids would be evaluated and a contract awarded to the lowest responsible bidder, based on the following criteria: 1) schedule, 2) past performance and qualifications and 3) base bid. University officials evaluated the bids and recommended award of the contract to the low responsible bidder, Tri-City Electric Company, in the amount of \$1,133,445. Tri-City's Electric's bid is 8.9 percent above Communication Innovators' bid and 11.1 percent above the engineering estimate of \$1,020,000.

This project consists of the installation of fiber-optic communication cabling and associated hardware within 17 occupied university buildings. Due to the project's complexity and need for extensive coordination, the bid specifications required all bidders to submit qualifications to do the work. Requirements for technical qualifications specified the submission of a "Response Package" detailing the firm's background, project references, and craftsperson and contractor qualifications.

All bids were thoroughly evaluated by university personnel and the project engineer, MIS Labs. The evaluation team determined that Tri-City Electric Company was the lowest responsible bidder.

University officials requested review by professional consulting firms which reinforced the limitations of Communication Innovators and the university's recommendation to award the contract to Tri-City Electric Company in the amount of \$1,133,445.

Board Office staff reviewed the project specifications, including delineation of the method of award, the response packages of Communication Innovators and Tri-City Electric Company, and the reviews and comments by the professional consulting firms. The Board Office concurred with the university's recommendation to award the contract to Tri-City Electric Company.

The recommended award can be made within the project budget.

### **Upgrade Underground Petroleum Storage Tanks**

University officials requested award of the construction contracts for the project totaling \$731,330.89, as follows.

Projects 1 through 5 \$685,696.00

Award to: McComas-Lacina Construction Company, Iowa City, Iowa

<u>Project 1 (Boyd Tower)</u>	Base Bid	\$ 73,410.00
	Alternate #2	<u>43,064.00</u>

Total \$ 116,474.00

<u>Project 2 (Carver Pavilion)</u>	Base Bid	\$ 233,120.00
	Alternate #1	<u>75,620.00</u>

Total \$ 308,740.00

<u>Project 3 (Colloton Pavilion East)</u>	Base Bid	\$ 90,184.00
	Alternate #2	<u>46,240.00</u>

Total \$ 136,424.00

**Upgrade Underground Petroleum Storage Tanks (continued)**

Project 4 (Control Upgrades)      Base Bid      \$ 71,448.00

Project 5 (Day Tanks)      Base Bid      \$ 52,610.00

Project 6 (Finkbine/CAMBUS)      \$ 45,634.89

Award to: Seneca Corporation, Des Moines, Iowa

Newton Road Parking Facility      \$10,368,900

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

University Hospitals and Clinics—Hospital Parking Ramp No. 1—  
Facility Improvements  
Reject Bids

Two responsive bids were received for this project on June 2, 1998. Both bids exceeded the engineering estimate and construction budget by more than 38 percent, and the total initial project budget by more than 11 percent. The Executive Director authorized the university to reject the bids and review the project for re-bidding in the late summer or early fall in an effort to receive more favorable bids. This evaluation has resulted in a revised project budget.

Jefferson Building—Ventilation Improvements      \$468,954

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

University Hospitals and Clinics—Conversion of Former Surgical  
Intensive Care Unit to Medical Intensive Care Unit      \$1,671,050

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

Campus Fiber Optic Network—Project 10 and Others--  
Communications Pathways Package      \$780,000

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



<u>University Hospitals and Clinics—Exterior Brick Work Maintenance-- Boyd Tower and South Wing</u>	<u>\$433,937</u>
Award to: E and H Restoration, Davenport, Iowa (3 bids received)	
<u>University Hospitals and Clinics—General Hospital Electrical Distribution System Upgrade—Phase A</u>	<u>\$298,961</u>
Award to: Gerard Electric, Iowa City, Iowa (2 bids received)	
<u>Wendell Johnson Speech and Hearing Center—Replace Domestic Water Piping</u>	<u>\$228,098</u>
Award to: Modern Piping, Cedar Rapids, Iowa (3 bids received)	
<u>Lindquist Center—Replace North Roof</u>	<u>\$180,702</u>
Award to: D. C. Taylor Company, Cedar Rapids, Iowa (7 bids received)	
<u>Mayflower Residence Halls—Replace Boilers</u>	<u>\$166,200</u>
Award to: AAA Mechanical Contractors, Iowa City, Iowa (3 bids received)	
<u>Campus Fiber Optic Network—Project 13—Telecommunication Closets</u>	<u>\$157,240</u>
Award to: Gerard Electric, Iowa City, Iowa (2 bids received)	
<u>University Hospitals and Clinics—Carver Pavilion East Window Wall Upgrade</u>	<u>\$155,000</u>
Award to: Netom Enterprises, Cedar Rapids, Iowa (2 bids received)	

#### ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

**Engineering Building Modernization/Addition—Asbestos Abatement—Phase 2**  
Economy Solar Corporation, Monticello, Iowa

**Engineering Building Modernization/Addition—Ground Floor Area A**  
McComas-Lacina Construction Company, Iowa City, Iowa

Westlawn Renovation and Expansion—Student Health Service Relocation and College of  
Medicine Programs—Asbestos Abatement  
Curry Environmental Services, Marion, Iowa

**University Hospitals and Clinics—Mechanical Head End Equipment Replacement**  
Bowker Mechanical Contractors, Cedar Rapids, Iowa

University Hospitals and Clinics—General Hospital Sprinkler System Improvements—Phase A  
Grinnell Fire Protection Systems Company, Omaha, NE

University Hospitals and Clinics—Code Compliant Exit Passageway and Elevator Vestibule—  
Carver Pavilion  
McComas-Lacina Construction Company, Iowa City, Iowa

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

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

University officials requested approval to enter into a new lease as lessee with Gene Kroeger and David Tigges for the university's use of space located at 320 South Linn Street, Iowa City, for the Rape Victim Advocacy Program, at the rate of \$2,250 per month (\$10 per square foot, \$27,000 per year) for a three-year period.

University officials requested approval to enter into a new lease as lessee with 108 Third, L. C., for the university's use of space located at 108 Third Street, Des Moines, for the Iowa Creative Employment Options program of the University Hospital School, at the rate of \$1,650 per month (\$12.89 per square foot, \$19,800 per year) for a three-year period.

University officials requested approval of an amendment to its lease agreement as lessee with Thomas Alberhasky; the amendment will provide for the university's use of an additional 2,538 square feet of warehouse space in Iowa City at the rate of \$1,269 per month (\$6 per square foot, \$15,228 per year).

University officials requested approval of an amendment to its lease agreement as lessee with Towncrest Investment Associates for the university's continued use of 2,200 square feet of space located in Iowa City for the Johnson County Blood Program at the rate of \$2,548.04 per month (\$13.90 per square foot, \$30,576.48 per year) for an additional one-year period.

University officials requested approval of an amendment to its lease agreement as lessee with the Quad Cities Graduate Center for the university's continued use of 140 square feet of space located on the Augustana College campus in Rock Island, Illinois, for the Social Work Education Center at the rate of \$127.28 per month (\$10.91 per square foot, \$1,527.36 per year) for an additional one-year period.

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

- Lease renewal with CompuTerra, Inc., for its use of 550 square feet of space at the rate of \$275 per month (\$6 per square foot, \$3,300 per year) for a one-year period; and
- Lease agreement with Quorum Sciences, Inc., for its use of 500 square feet of space at the rate of \$416.67 per month (\$10 per square foot, \$5,000 per year) for a one-year period.

University officials requested approval to enter into permanent easements and temporary construction easements with the City of Iowa City for the installation of a sanitary sewer line and installation of a water main by the city.

MOTION: Regent Ahrens moved to approve leases and easements, as presented. Regent Arenson

seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Kelly, Smith.

MOTION CARRIED.

**PRESENTATION – CAMPUS PLANNING FRAMEWORK.** The Board Office recommended the Board receive the report on the University of Iowa Sesquicentennial Campus Planning Framework.

University officials presented to the Board in December 1995 an update of its 1990 campus master plan. At that time the university was requested to complete a formal update of its campus planning framework following completion of its next strategic plan.

In December 1996 the Board approved the university's revised strategic plan, *Achieving Distinction 2000 – A Strategic Plan for the University of Iowa*.

University officials presented an update of the campus master plan, the Sesquicentennial Campus Planning Framework, on Wednesday, September 23, 1998.

The Sesquicentennial Campus Planning Framework incorporates the mission, goals and objectives of the university's strategic plan, and applies recommendations of the strategic plan to the physical campus environment.

While goals 1 through 6 of the 1996 strategic plan are supported by the processes and outcomes of the Sesquicentennial Campus Planning Framework, the 1996 Strategic Plan included a goal which is directly linked to the physical campus environment.

Goal 7 of the plan states that the university should provide a high quality academic and working environment.

The framework will guide campus development according to the university's current vision of its future needs and guide day-to-day planning decisions.

The University of Iowa main campus contains three precincts, the East Campus and West Campus (divided by the Iowa River) and the Far West Campus located west of Mormon Trek Boulevard; these areas total 1,399 acres.

The Oakdale Research Campus contains approximately 529 acres, but only 250 acres on the south half of the campus are included in the framework plan as a fourth precinct. (The Oakdale Research Park is not included.)

The master plan update concentrates on the East Campus and West Campus areas, but also incorporates the Far West Campus and the Oakdale Campus more extensively than did the 1990 plan.

In addition, the campus planning area has been broadened to include the service area south of Burlington Street.

The Sesquicentennial Campus Planning Framework reflects the theory that a framework plan should provide guidance to appropriately site and plan projects so they fit well within

the campus while providing the flexibility necessary to respond to unanticipated and unpredictable requirements.

The framework is supported by a series of planning principles, goals and objectives which provide a focus for campus development including land use, circulation, and open space.

A series of implementation strategies and development guidelines prescribe the campus development process to accommodate changes and development needs.

The master plan update was prepared under the auspices of the Campus Planning Committee, the university's Facilities Services Group, and the firm of Dunbar/Jones Partnership, landscape architects.

The update of the plan included input from the campus community through a series of campus forums.

Associate Vice President Gibson distributed to the Regents a pamphlet summarizing the sesquicentennial campus planning framework. He discussed the work of the campus planning committee. The plan included a set of guidelines of planning principles, goals and objectives.

President Newlin asked if the word "campus" meant land that the university owns. Associate Vice President Gibson responded that university officials had included in the report land that the university owns. The report included any land the university owns in Iowa City within the university's boundaries except a few parcels inside the boundaries of the land that the university does not own. Mayflower and the business services park owned by the university are outside the university boundaries south of Highway 218.

Regent Fisher asked if there are any plans to widen Mormon Trek from Melrose Avenue to Old Highway 6. Associate Vice President Gibson responded that university officials are in the midst of addressing that issue. It is a unique street. It is an institutional road from the interstate railroad underpass down to Melrose Avenue. It is about the only way to get from Coralville to the southern parts of Iowa City. He said two other routes are being considered. University officials are working cooperatively with Johnson County, and the cities of Iowa City and Coralville.

President Newlin said it was obvious that Associate Vice President Gibson and his staff have been working very hard on campus planning.

**MOTION:** Regent Fisher moved that the Board encourage the University of Iowa with a long term (20-30 years) outlook to recognize that it is not limited by current ownership boundaries with respect to future expansion of the campuses. Regent Kennedy seconded the motion.

Regent Fisher said there may be opportunities to purchase property for long-term planning; that it would be good business practice to accumulate some land for future plans.

Regent Arenson said he believed that university officials can make plans outside the university's current boundaries. Regent Fisher said the motion was encouragement to do so.

VOTE ON THE MOTION: Motion carried unanimously.

Vice President True thanked the Regents for the motion and unanimous approval of the motion.

ACTION: President Newlin stated the Board received the report on the University of Iowa Sesquicentennial Campus Planning Framework, by general consent.

The Regents toured the following areas on the morning of September 24, 1998: Macbride Hall, site of University Services Building, Engineering Modernization/Addition site, Westlawn, and the health sciences campus. At Macbride Hall, the Regents were seated for a presentation in the newly-remodeled auditorium which was part of the overall project to modernize classrooms. Macbride Hall auditorium is the largest auditorium on campus. Since August 1997 university officials have been working to get all classrooms upgraded. In August 1997 22 of the classrooms (11 percent) were wired and had dedicated equipment. As of August 1998, the university is up to 124 rooms that meet that basic test. Fifty-seven of the rooms are equipped with fixed equipment while the others share carts of equipment. University officials hope by December 1999 to have 179 classrooms completed which would be 93 percent of the inventory.

President Newlin asked how many classrooms will have interactive technology. Associate Vice President Gibson responded that none of the general assignment classrooms would be interactive. There are such classrooms in dentistry, geography and computer science. Interactive technology requires more space per student.

Associate Vice President Gibson stated that remodeling projects such as the Macbride Hall auditorium can be accomplished within the university' budget over time. Where the university needs help from the state in tackling projects like the Biology Building.

Regent Fisher asked if the auditorium is used for any performing arts. Associate Vice President Gibson responded that it could be but on a very limited scale. It would cost another \$.5 million to \$1 million to make the facility appropriate for performances. Performance needs are incompatible with classroom needs.

At Westlawn, the Regents visited the Student Health Center. Dr. Mary Khowassah, Director of the Student Health Center, facilitated the tour. She stated there are six providers of primary care.

President Coleman noted that there was currently some difficulty in scheduling of appointments because of the volume of telephone calls coming in. The problem was being addressed.

Dr. Khowassah discussed the activities that take place in the center including immunizations for Hepatitis B, etc.

In response to questions by Regents, Dr. Khowassah stated that students who are not attending classes during summer session can still be seen at the center in the summer. The health service fee is \$45/semester, and one-half of that for the summer session. The center has 38,000 to 40,000 patient visits per year excluding Health Iowa where another 17,000 patients are seen at various sites on campus.

With regard to students who have severe illness requiring more time and care than is offered at the center, Dr. Khowassah said the handling of the patient depends on the physician. If

the illness is beyond the skill of the provider, the patient is referred to the University of Iowa Hospitals and Clinics. At that time the student's private health insurance would take effect.

Regent Arenson asked if there are physicians who are specifically center physicians, not rotating. Dr. Khowassah responded that the center does have staff physicians. All third-year pediatric medical students rotate to the center. Occasionally a medical student requests a rotation through the center.

Regent Kelly asked where students go for health care at nights and on weekends. Dr. Khowassah responded that if a patient needs care outside the center's hours, they can be seen at the emergency room at the hospital.

Regent Arenson asked if student patients evaluate the center's service and give feedback on satisfaction. Dr. Khowassah responded that students have a chance to evaluate the center in a number of different ways. There is a patient satisfaction survey. In each exam room are patient comment cards and there is a suggestion box in each waiting room. That feedback, which in general is very complimentary to the center, is gathered every month and reviewed in quality assurance meetings.

Regent Kelly asked if student health fees cover all of the expenses of the center's operation. Dr. Khowassah responded that the center earns some money and the University of Iowa provides some money for the campus-wide programs. Approximately 75 percent of the center's budget is through the health fee. She said the health fee covers unlimited visits to the Student Health Center. Laboratory work, x-rays, etc., have costs associated with them.

President Coleman stated that the new facility for the Student Health Center had just opened. It was part of a renovation project for Westlawn.

Regent Pellett asked if students are using the Student Health Center more now that it is in the new facility. Dr. Khowassah responded that there is a heightened interest in using the facility.

The Regents next were presented with information on the health sciences campus construction and took a driving tour of the area.

Associate Vice President Gibson stated that university officials had spent \$10 million relocating utilities in the last year. The next stage will start in November when the university lets bids for the Medical Education/Biomedical Research Facility. He said the Steindler Building will have been demolished by then.

### **RAZING OF BUILDINGS AT THE SITE OF THE FUTURE UNIVERSITY SERVICES**

**BUILDING.** The Board Office recommended the Board authorize the university to raze university-owned structures located at 17 West Prentiss Street, 615 South Capitol Street, and 627 South Capitol Street, Iowa City, Iowa.

University of Iowa officials requested approval to raze three university-owned structures located south of campus. The structures are located on university property south of Prentiss Street and west of South Capitol Street in the area identified for construction of the University Services Building. The structures must be razed to accommodate the construction project.

The dwelling located at 17 Prentiss Street currently houses the university's Rape Victim Advocacy Program. University officials plan to relocate the program to leased space on

South Linn Street in Iowa City effective October 1, 1998. The two Capitol Street structures are used primarily for storage by the university's Facilities Services Group.

MOTION:

Regent Arenson moved to authorize the university to raze university-owned structures located at 17 West Prentiss Street, 615 South Capitol Street, and 627 South Capitol Street, Iowa City, Iowa. Regent Ahrens seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Smith.

MOTION CARRIED.

**PROPERTY ACQUISITION.** The Board Office recommended the Board (1) authorize the University of Iowa to purchase property located at 609 South Capitol Street, at the purchase price of \$160,000, subject to approval of the Executive Council of Iowa; (2) authorize the University of Iowa to purchase property located at 631 South Capitol Street, at the purchase price of \$110,000, subject to approval of the Executive Council of Iowa; and (3) authorize the university to raze the structures located on the properties subsequent to transfer of title and possession of the properties.

University of Iowa officials requested approval to purchase properties located at 609 South Capitol Street and 631 South Capitol Street, Iowa City, Iowa. Funds for the property purchases will be provided by Income from Treasurer's Temporary Investments.

The property located at 609 South Capitol Street consists of a two-story frame house in good condition, with a one-car detached garage, located on a 40 feet by 150 feet lot. The proposed purchase price of \$160,000 was based on two property appraisals and was consistent with Board policy.

The property located at 631 South Capitol Street consists of a two-story frame house in fair condition, with a one-car detached garage and shop, located on a 40 feet by 150 feet lot. The proposed purchase price of \$110,000 was based on two property appraisals and was consistent with Board policy.

The purchase agreements were reviewed by the Attorney General's Office. The property purchases will require approval of the Executive Council of Iowa.

The properties are located in the area identified for construction of the University Services Building. University officials also requested Board approval to raze the structures on the properties to accommodate the construction project.

Vice President True thanked Executive Director Stork and Associate Director Racki for their assistance in this matter.

MOTION:

Regent Arenson moved to authorize the University of Iowa to purchase property located at 609 South Capitol Street, at the purchase price of \$160,000, subject to approval of the Executive Council of Iowa. Regent Pellett seconded the motion, and upon the roll being called, the following voted:

AYE: Ahrens, Arenson, Fisher, Kelly, Kennedy,  
Lande, Newlin, Pellett.  
NAY: None.  
ABSENT: Smith.

MOTION CARRIED.

MOTION: Regent Arenson moved to authorize the University of Iowa to purchase property located at 631 South Capitol Street, at the purchase price of \$110,000, 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, Pellett.  
NAY: None.  
ABSENT: Smith.

MOTION CARRIED.

MOTION: Regent Arenson moved to authorize the university to raze the structures located on the properties subsequent to transfer of title and possession of the properties. Regent Fisher seconded the motion, and upon the roll being called, the following voted:  
AYE: Ahrens, Arenson, Fisher, Kelly, Kennedy,  
Lande, Newlin, Pellett.  
NAY: None.  
ABSENT: Smith.

MOTION CARRIED.

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

**EXECUTIVE SESSION.** President Newlin requested that the Board enter into closed session pursuant to the Code of Iowa section 20.17(3) to conduct a strategy meeting of a public employer for collective bargaining.

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

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 10:55 a.m. on September 24, 1998, and adjourned therefrom at 11:56 a.m. on that same date.



## IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday and Thursday, September 23 and 24, 1998.

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

Register of Personnel Changes for July and August 1998 that included ten requests for early retirement and four requests for phased retirement.

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

Appointment of Kenneth Kirkland, Director of Office of Intellectual Property and Technology Transfer, beginning August 16, 1998, at an annual salary of \$103,000.

*Resignation of David Topel, as Dean of Agriculture, effective June 30, 1999.*

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

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

### PERMISSION TO PROCEED WITH PROJECT PLANNING

#### Pearson Hall Remodeling

University officials requested permission to proceed with project planning and the architectural selection process to remodel approximately 19,450 gross square feet of space in Pearson Hall. University officials plan to utilize the space to house the Office of International Students and Scholars, the Graduate College, and the office of the Vice Provost for Research and Advanced Studies. The project will allow for more efficient space allocation and centralization of university departmental functions which are currently located throughout campus.

The project includes the remodeling of 10,100 gross square feet of space on the first floor and 9,350 gross square feet of space on the basement level of the building. With the exception of 5,030 square feet of space on the first floor which is currently occupied by the Instructional Technology Center, the space to be remodeled is vacant due to the relocation of Administrative Data Processing to the new Administrative Services Building. The Instructional Technology Center is scheduled to vacate its space in the fall of 1999 with its relocation to the Communications Building.

The remodeled space in Pearson Hall will house all functions of the Office of International Students and Scholars which will relocate from Hamilton Hall, Graduate College functions which will relocate from Beardshear Hall and the Lab of Mechanics, and the research functions of the office of the Vice Provost for Research and Advanced Studies which will also relocate from Beardshear Hall.

Pearson Hall was constructed from 1960 to 1962 as a general classroom building and has minimal historical preservation significance. Except for proposed entrance modifications on the south for ADA accessibility, this project consists entirely of interior remodeling that will not affect the exterior architectural character of the building.

## APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS

### Student Services Building Remodeling

University officials presented the schematic design for Board approval. The proposed project design will provide space for use by the offices of the Dean of Students and Student Counseling Services (which are currently located in the Student Services Building), and the office of Minority Student Affairs and selected functions of the office of Student Financial Aid (which will relocate from Beardshear Hall). The project will consolidate these student service-oriented departments into one location for student convenience.

The ground and first floors of the Student Services Building previously housed the Student Health department which relocated to the new Student Health Center. The ground floor of the Student Services Building will be selectively demolished and remodeled to house the Student Financial Aid functions and the Telephone Student Admissions Representatives. New restrooms, a new elevator with equipment room, and a new break room will complete the balance of the ground floor.

Work on the first floor will include selective demolition and remodeling of the west wing and partial renovation of the east wing to provide space for offices of the Dean of Students. A main entry to the building will be established at the existing northeast door, and the other entries/exits will be designated for emergency use only. A new waiting/reception area will be established at the main entry, and a new elevator will be installed nearby to provide easy access to all levels of the building.

The second floor will be partially demolished and remodeled; building finishes will be upgraded on the remainder of the floor. This floor will house the offices of Minority Student Affairs and some offices for the Dean of Students, and will provide public spaces for Student Counseling Services. The restrooms on this floor will be relocated and reconstructed to provide facilities that meet ADA requirements.

Work on the third floor will include the relocation and reconstruction of restrooms and the remodeling of the south "porch" area. The majority of the third floor space will receive an upgrade of building finishes. This floor will house the offices of Student Counseling Services.

University officials plan to bid the project in early 1999 for completion in early 2000. The existing occupants will remain in the building during construction and will be moved as their new spaces are completed.

## PROJECT DESCRIPTIONS AND BUDGETS

Pearson Hall Remodeling

\$2,712,658

Preliminary Budget

Construction Costs	\$ 1,957,938
Professional Fees	250,657
Movable Equipment	500,000
Relocation	4,063

TOTAL \$ 2,712,658

Source of Funds:

Income from Treasurer's Temporary Investments	\$ 2,212,658
General University Funds	500,000

TOTAL \$ 2,712,658

University officials requested approval of a project budget in the amount of \$2,712,658 to be funded by Income from Treasurer's Temporary Investments and general university funds.

Hawthorn Court Apartments—Phase 1 \$25,913,000  
Source of Funds: Dormitory System Revenue Bonds

Preliminary Budget

Construction Costs	\$ 22,684,221
Professional Fees	1,128,779
Movable Equipment	2,100,000

TOTAL \$ 25,913,000

University officials requested approval of the project budget in the amount of \$25,913,000 to be funded by Dormitory System Revenue Bonds. The first bond sale for this project is scheduled for this month's Board meeting.

Linden Hall—Roof Replacement and Masonry Repairs \$771,000  
Source of Funds: Dormitory System Surplus Funds

Preliminary Budget

Construction Costs	\$ 697,500
Professional Fees	73,500

TOTAL \$ 771,000

University officials requested approval of a project description and budget in the amount of \$771,000 to replace the roof of Linden Hall and restore the exterior facade of the building. The existing Linden Hall roof was installed when the building was constructed in 1957. The roof has reached the end of its useful life and suffers from a variety of failures. The original roofing material is an asbestos slate-style shingle. Because of the asbestos material the project will require special removal and disposal techniques. The shingles will be replaced with an imitation slate shingle with a 30 year warranty. The project will also include replacement of the roof sheathing materials, gutters, and flashing materials.

In addition, portions of the building's masonry exterior will be tuckpointed and caulked, and brick will be replaced where necessary. The entire exterior facade will be waterproofed.

Construction is scheduled to begin in May 1999 for completion by October 1999.

Birch-Welch-Roberts Roof Replacement—Phase 2 \$456,800  
 Source of Funds: Dormitory System Surplus Funds

Preliminary Budget

Construction Costs	\$ 409,500
Professional Fees	47,300
<b>TOTAL</b>	<b><u>\$ 456,800</u></b>

University officials requested approval of a project description and budget in the amount of \$456,800 for the second phase of the project to replace the slate shingle roofing system of the Birch-Welch-Roberts residence hall. The Phase 2 project will address an area of approximately 32,500 square feet and will include the replacement of underlayment, roof flashings and gutters. The Phase 2 project will complete the replacement of the building's roofing system.

The work is scheduled to begin in May 1999 for completion prior to the beginning of the fall 1999 semester.

Oak-Elm Hall—Roof Replacement Oct. 1997 Budget \$1,600,000  
 Source of Funds: Dormitory System Surplus Funds Sept. 1998 Budget \$2,037,475

Project Budget

	Initial Budget <u>Oct. 1997</u>	Revised Budget <u>Sept. 1998</u>
Construction Costs	\$ 1,399,000	\$ 1,910,000
Professional Fees	<u>201,000</u>	<u>127,475</u>
<b>TOTAL</b>	<b><u>\$ 1,600,000</u></b>	<b><u>\$ 2,037,475</u></b>

University officials requested approval of a revised project budget in the amount of \$2,037,475, an increase of \$437,475, which reflects an expanded project scope.

The additional work will include construction of three masonry-enclosed fire egress stairways, and installation of fire shutters on student rooms adjoining the stairways; the shutters will be interconnected to the building's fire alarm system. The expanded project scope also includes installation of an additional fire sprinkler water riser. The water riser piping will accommodate sprinkling of the attics as required by fire codes and will accommodate the future installation of a building-wide fire sprinkler system.

Construction is scheduled to begin in March of 1999 for completion by October of 1999.

The additional funding for the project will be provided by Dormitory System Surplus Funds.

Reiman Gardens—Phase 2 June 1998 Budget \$582,000

Source of Funds: ISU Foundation

Sept. 1998 Budget \$657,000

Project Budget

	Revised Budget <u>June 1998</u>	Revised Budget <u>Sept. 1998</u>
Construction Costs	\$ 501,250	\$ 561,570
Professional Fees	<u>80,750</u>	<u>95,430</u>
TOTAL	<u>\$ 582,000</u>	<u>\$ 657,000</u>

University officials requested approval of a revised project budget in the amount of \$657,000, an increase of \$75,000, which reflects the addition of various design elements for the garden. The design elements will include an entrance structure, benches, additional artwork, garden features and interpretive signage. The additional project funding will be provided by the ISU Foundation.

Agronomy—Plant Transformation Greenhouse

July 1998 Budget \$300,000

Sept. 1998 Budget \$350,000

Project Budget

	Revised Budget <u>July 1998</u>	Revised Budget <u>Sept. 1998</u>
Construction Costs	\$ 264,135	\$ 307,140
Professional Fees	<u>35,865</u>	<u>42,860</u>
TOTAL	<u>\$ 300,000</u>	<u>\$ 350,000</u>
Source of Funds:		
Iowa Soybean Promotion Board	\$ 150,000	\$ 150,000
Agriculture Experiment Station	100,000	150,000
Iowa Corn Promotion Board	<u>50,000</u>	<u>50,000</u>
	<u>\$ 300,000</u>	<u>\$ 350,000</u>

University officials requested approval of a revised project budget in the amount of \$350,000, an increase of \$50,000, which reflected increased construction estimates for the project.

Two bids were received for Phase 2 of this project on August 13, 1998. The Phase 2 work includes the concrete, site work, and mechanical and electrical systems. The bids received had a range of approximately 9.1 percent but exceeded the engineering estimate by more than 90 percent. The university received Executive Director approval to reject the bids and reevaluate and re-bid the project at a future date.

University officials modified the project scope in an effort to decrease project costs. However, university officials determined that the project cannot be reduced sufficiently within the current budget to meet the needs of the department, and therefore the project requires an increase in the budget.

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

\* \* \* \* \*

University officials presented 12 projects with budgets of less than \$250,000. The titles, source of funds and estimated budgets for the remaining projects were listed in the register prepared by the university.

\* \* \* \* \*

## ARCHITECT/ENGINEER AGREEMENTS

Hawthorn Court Apartments—Phase 1 \$580,040  
Rietz Consultants, Ames, Iowa/Hanbury Evans Newill Vlattas, Norfolk, VA

University officials requested approval of the selection of Rietz Consultants, Ames, Iowa, in association with Hanbury Evans Newill Vlattas, Norfolk, Virginia, to provide design services for the project. This team demonstrated extensive experience, ability, and exuberance to complete the project. University officials requested approval to enter into an agreement with the design team to provide pre-design and schematic design services for Phase 1 of the project and site planning and schematic design for the entire project. The agreement will include the services of consultants specializing in the design and planning of university residential facilities and food service facilities. The agreement also provides for the standard cost consulting and mechanical, electrical, structural, and civil engineering services. The agreement provides for a total fee of \$580,040, which includes \$546,540 for basic services and \$33,500 for reimbursables.

The university will not proceed to enter into a design agreement for Phase 2 of the project until this phase has been approved by the Board.

Communications Building—Video Production and Instructional Studios Renovation \$27,000  
Patlin Electronics, Richfield, OH

University officials requested approval to enter into an agreement with Patlin Electronics to provide audio/visual design services for the project. The university received expressions of interest from three firms to provide audio/visual design services for the project and selected the firm of Patlin Electronics for interview and further evaluation. University officials recommended the selection of Patlin Electronics which has demonstrated the experience and ability to creatively solve complex remodeling problems and provide quality services on time and within budget. The university requests approval to enter into an agreement with Patlin Electronics for pre-design and schematic design services. The agreement provides for a fee of \$27,000, including reimbursables.

Following completion of the schematic design, university officials will return to the Board for approval of the project program, schematic design and project budget.

### Amendments:

Engineering Teaching and Research Complex Amendment #2 \$62,000  
Brooks Borg and Skiles, Des Moines, Iowa

University officials requested approval of Amendment #2 in the amount of \$62,000 to the agreement with Brooks Borg and Skiles. The amendment will provide compensation for additional reimbursable expenses for the printing of additional contract documents and for future reimbursable costs.

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

Library Storage Building/Administrative Services Building  
Story Construction Company, Ames, Iowa

\$15,343

## CONSTRUCTION CONTRACTS

Agronomy—Plant Transformation Greenhouse—Phase 2  
Reject Bids

Two bids were received for this project on August 13, 1998. The bids had a range of approximately 9.1 percent but exceeded the engineering estimate by more than 90 percent. University officials received Executive Director approval to reject all bids and reevaluate and re-bid the project at a future date. Based on further evaluation, university officials determined that the project requires a revised budget to reflect increased construction estimates.

Utilities—1998 Steam System Repairs

\$38,380.00

Award to: Capital City Boiler and Machine Works, Des Moines, Iowa  
(2 bids received)

Maple Hall Remodeling and Flood Mitigation—Phase 1

\$10,166,600.00

Award to: Stanley Design-Build, Muscatine, Iowa  
(4 bids received)



<u>Gilman Hall—Parapet Wall Repair</u>	<u>\$274,144.00</u>
Award to: Forrest and Associates, Des Moines, Iowa (2 bids received)	
<u>Biomass Energy Conversion Facility—Phase 1</u>	<u>\$712,900.00</u>
Award to: Septagon Construction Company, Grimes, Iowa (3 bids received)	
<u>Parks Library—Skylight and Roof Section H Replacement</u>	<u>\$149,800.00</u>
Award to: Wood Roofing Company, Des Moines, Iowa (3 bids received)	
<u>Howe Hall (Engineering Teaching and Research Complex—Phase 1)</u>	<u>\$116,750.00</u>
Bid Package #17, South Parking Award to: Manatt's, Inc., Ames, Iowa (1 bid received)	
<u>Agronomy—Plant Transformation Greenhouse-Phase 1</u>	<u>\$79,356.00</u>
Award to: Ludy Greenhouse Manufacturing Corporation, New Madison, OH (3 bids received)	
<u>Ag Engineering Shed Renovation</u>	<u>\$201,700.00</u>
Award to: Welker Construction Company, Marshalltown, Iowa (3 bids received)	
<u>Remain Gardens—Phase 2, Children's Garden</u>	<u>\$313,586.20</u>
Award to: Country Landscapes, Ames, Iowa (3 bids received)	
<u>Utilities—Heating Plant—Cooling Tower 1 and 2 Replacement— Cooling Towers</u>	<u>\$1,187,927.00</u>
Award to: Psychrometric Systems, Golden, CO (2 bids received)	
<u>College of Design Auditorium Addition</u>	<u>\$1,698,200.00</u>
Award to: Woodruff Construction Company, Fort Dodge, Iowa (4 bids received)	

## CHANGE ORDERS TO CONSTRUCTION CONTRACTS

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

University officials presented two change orders to construction contracts on the Howe Hall project. The change orders reflect the conversion of the original office design to an open office plan which resulted in the deletion of masonry interior partitions and ceilings, and modifications to the mechanical and electrical systems.

<u>Masonry Contract</u> Forrest and Associates, Des Moines, Iowa	<u>(\$119,342)</u>
<u>Electrical Contract</u> Nikkel and Associates, Ames, Iowa	<u>\$54,971</u>

## ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

### Library Storage Building/Administrative Services Building

<u>Bid Package #25</u> Manatt's, Inc., Ames, Iowa	
<u>Bid Package #11</u> R. H. Grabau Construction, Boone, Iowa	
<u>Bid Package #21</u> R. G. Elder and Son Company, Des Moines, Iowa	
<u>Bid Package #95</u> R and C Acoustical Services, Ames, Iowa	
<u>Bid Package #125</u> National Contractors, Des Moines, Iowa	
<u>Bid Package #141</u> Schumacher Elevator Company, Denver, Iowa	

Knoll—Handicap Accessibility Improvements  
HPC, L.L.C., Ames, Iowa

## FINAL REPORTS

<u>Utilities—Heating Plant—Replace Chiller #1 Refrigerant Condenser</u>	<u>\$408,845.64</u>
<u>Utilities—Heating Plant—Chiller No. 4</u>	<u>\$1,467,497.69</u>
<u>Telecommunications—Research Park—Phase 2 Raceway System</u>	<u>\$271,588.44</u>
<u>Maple Hall Exterior Facade Emergency Repairs</u>	<u>\$326,913.82</u>
<u>Wallace Hall—Elevator Upgrade and Modernization</u>	<u>\$404,229.75</u>
<u>Hilton Coliseum—Replace Roof Area A</u>	<u>\$704,251.14</u>

Animal Science Teaching Farm Swine Facilities—Phase 1

\$1,031,843.34

Lake Laverne Restoration

\$474,021.55

MOTION:

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

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

University officials requested approval to enter into a new lease agreement as lessor with Capital Communications for its continued access to uplink facilities at the rate of \$200 per month, \$2,400 per year, for a six-year period.

University officials requested approval to enter into a new lease agreement as lessee with the ISU Research Park Corporation for the Iowa Transportation Center's use of 14,000 square feet of space at the ISU Research Park at the rate of \$14,408.33 per month (\$12.35 per square foot, \$172,900 per year), plus operating expenses for a five-year period.

University officials requested approval to renew its lease as lessee with Dayton Road Development Corporation for the university's use of 2,401 square feet of space located at 137 Lynn Avenue, Ames, Iowa, for the Small Business Development Center, at the rate of \$2,471 per month (\$12.35 per square foot, \$29,652 per year) for a one-year period.

University officials requested approval of an amendment to its lease as lessee with Determan Investments for the university's use of 1,400 square feet of office space located at 22 North Georgia, Mason City, Iowa, for the Department of Human Development and Family Studies, at the rate of \$640 per month (\$5.49 per square foot, \$7,680 per year) for a one-year period.

University officials requested approval to enter into an easement agreement with American Meat Protein Corporation for the installation, operation and maintenance of telecommunications services by the university.

University officials requested approval to enter into an easement agreement with the City of Ames for construction of bicycle and pedestrian paths by the city.

MOTION:

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

MOTION CARRIED.

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

## UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday and Thursday, September 23 and 24, 1998.

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

Register of Personnel Changes for July and August 1998.

*Approve the title change from Director of Library Services to Dean of Library Services effective September 1998 for Herbert D. Safford.*

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

**NAMING OF "JOHN DEERE AUDITORIUM" IN THE CURRIS BUSINESS BUILDING.** The Board Office recommended the Board approve the name of Room 109 in the Curris Building as the "John Deere Auditorium".

The John Deere Foundation recently awarded \$250,000 to the University of Northern Iowa Foundation for several projects in the College of Business Administration, including the remodeling of Curris 109. Giving the room this name also would be fitting recognition of the long history of collaboration enjoyed by the University of Northern Iowa and Deere & Company.

Earlier this year the Board approved the naming of the Business Building after former University of Northern Iowa President Constantine W. Curris.

MOTION: Regent Fisher moved to approve the name of Room 109 in the Curris Building as the "John Deere Auditorium". Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

### PROJECT DESCRIPTIONS AND BUDGETS

University officials presented one project with a budget of less than \$250,000. The title, source of funds and estimated budget for the project were listed in the register prepared by the university.

## CONSTRUCTION CONTRACTS

### President's Residence—Accessibility Compliance Reject Bids

On June 25, 1998, two bids were received for the project which will provide accessibility improvements at the President's Residence including construction of an exterior ramp and improvements to the ground floor restroom. Both bids exceeded the project budget of \$60,000 by approximately 23 percent. University officials rejected the bids and are redesigning the project for re-bidding at a future date.

Student Services Center—Building Envelope \$193,555  
Fred Jackson Tuckpointing, Dubuque, Iowa  
(3 bids received)

## FINAL REPORTS

Price Laboratory School—Field House Replacement \$2,763,612.29

Residence Facility \$9,199,773.77

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

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

University officials requested approval to enter into a new lease as lessor with Iowa Wireless Services for its use of property located on the university's far west campus for construction and maintenance of a microwave relay tower at the rate of \$1,200 per month (\$14,400 per year) for a five-year period.

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

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 and Thursday, September 23 and 24, 1998.

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

Register of Personnel Changes for July and August 1998.

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

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

### PERMISSION TO PROCEED WITH PROJECT PLANNING

#### Recreation Center

School officials requested approval to proceed with project planning for construction of the Recreation Center. Planning funds in the amount of \$60,000 were allocated by the Board in June 1998 from the FY 1999 capital appropriation for the special schools. The funds will be used to update a 1989 feasibility study and cost estimates, and provide initial programming for the facility.

### PROJECT DESCRIPTIONS AND BUDGETS

Administration Building—New Interior Finishes, Third Floor \$60,000  
Source of Funds: Nebraska Tuition Restricted Funds

School officials requested approval of a project description and budget in the amount of \$60,000 to upgrade dormitory rooms in the Administration Building. The project is necessary to accommodate an increase in the school's enrollment resulting from the addition of Nebraska residential students.

Up to 19 male students from Nebraska may be enrolled at the Iowa School for the Deaf for the 1998-1999 school year. The increased male enrollment requires the upgrade of dormitory rooms for 12 students in the Boys Residence. Completion of this project will also help to alleviate existing overcrowded conditions.

The project will include installation of drywall, doors, carpet and window coverings and new interior finishes.

Girls Residence—First Floor Kitchen Area  
Source of Funds: FY 1999 Building Repair Funds

\$35,000

School officials requested approval of a project description and budget in the amount of \$35,000 to develop a second kitchen/eating area in the Girls Residence. Due to the school's increased enrollment, a second food preparation and eating area is needed in the Girls Residence. The project will include construction and furnishings.

MOTION: Regent Fisher moved to approve the capital register, as presented. Regent Pellett seconded the motion.  
MOTION CARRIED UNANIMOUSLY.

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

School officials requested approval of lease renewals as lessor for space on the Iowa School for the Deaf campus:

- With Iowa Western Community College for its use of 800 square feet of space in the Careers Building at the rate of \$800 per month (\$12 per square foot, \$9,600 per year) for a one-year period; and
- With Lewis Central Community Schools for its use of 525 square feet of space in the Elementary Building at the rate of \$220 per month (\$5 per square foot, \$2,640 per year) for a one-year period.

MOTION: Regent Ahrens moved to approve leases, as presented. Regent Arenson seconded the motion, and upon the roll being called, the following voted:  
AYE: Ahrens, Arenson, Fisher, Kennedy, Lande,



Newlin, Pellett.  
NAY: None.  
ABSENT: Kelly, Smith.

MOTION CARRIED.

**UPDATE ON NEBRASKA CONTRACT.** The Board Office recommended the Board receive the update regarding Nebraska students at the Iowa School for the Deaf.

The FY 1999 restricted fund budget presented to the Board in July projected the attendance of 23 Nebraska students at the Iowa School for the Deaf. The current count of Nebraska students is the same as that originally budgeted, but the mix of students enrolled in academic and residential services programs is different. This difference equates to an increase in revenue projections of \$54,776. The additional funding will be used to upgrade residential dormitory facilities to accommodate the increase in the number of residential students. Of the Nebraska students, seven are girls and sixteen are boys with three students in elementary school, five students in middle school, and fifteen students in high school.

Director Heuer reviewed the report with the Regents. He noted that the Nebraska Board of Education was very pleased with the arrangements that had been made. He said that in the lunch room on the second day of school there were no tables that were exclusively occupied by students from one state or the other. Some Nebraska students have been elected as student government representatives.

**ACTION:** President Newlin stated the Board received the update regarding Nebraska students at the Iowa School for the Deaf, by general consent.

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

## IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Wednesday and Thursday, September 23 and 24, 1998.

**RATIFICATION OF PERSONNEL TRANSACTIONS.** The Board Office recommended the Board approve personnel transactions, as presented.

Register of Personnel Changes for the period May 17 through August 22, 1998.

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

**COACHING SUPPLEMENTS.** The Board Office recommended the Board approve a modification in the coaching supplements authorized for coaches of the track and field teams so that a single coach for both male and female teams is paid a supplement of \$2,200 for the season.

The Board previously approved a coaching supplement of \$1,794 each for two track and field team coaches, one for the male team and one for the female team. School officials have been unable to find a qualified male coach and the female team coach will agree to coach both teams for \$2,200.

The school will provide male escorts for all field and track activities, including weekend trips to other schools.

ACTION: This matter was approved on the consent docket.

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 11:56 a.m., on Thursday, September 24, 1998.

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Frank J. Stork  
Executive Director