

The State Board of Regents met at the State University of Iowa, Iowa City, Iowa on Thursday and Friday, January 13-14, 1977. Those present were:

	<u>January 13</u>	<u>January 14</u>
<b>Members of State Board of Regents:</b>		
Mrs. Petersen, President	All Sessions	All Sessions
Mr. Bailey	All Sessions	All Sessions
Mr. Baldrige	All Sessions	All Sessions
Mr. Barber	Exc. 3 p.m.	All Sessions
Mr. Brownlee	Absent	Absent
Mrs. Collison	All Sessions	All Sessions
Mr. Shaw	All Sessions	All Sessions
Mr. Slife	Arr. 9:30 a.m.	All Sessions
Mr. Zumbach	All Sessions	All Sessions
<b>Office of State Board of Regents:</b>		
Executive Secretary Richey	All Sessions	All Sessions
Mr. Barak	All Sessions	
Mr. De Nio	Arr. 11:00 a.m.	
Mr. Grant	Arr. 11:00 a.m.	
Mr. McMurray	All Sessions	All Sessions
Mrs. Mininger	All Sessions	
Ms. Shaw	Arr. 11:00 a.m.	
Pauline K. Van Ryswyk, Secretary	All Sessions	All Sessions
<b>State University of Iowa:</b>		
President Boyd	All Sessions	All Sessions
Vice President Brodbeck	All Sessions	All Sessions
Vice President Jennings	All Sessions	All Sessions
Assistant Vice President Small	Arr. 10:20 a.m.	All Sessions
Director Tobin	All Sessions	All Sessions
<b>Iowa State University:</b>		
President Parks	All Sessions	Exc. 11:15 a.m.
Vice President Christensen	All Sessions	Exc. 11:15 a.m.
Vice President Hamilton	All Sessions	Exc. 11:15 a.m.
Vice President Moore	All Sessions	Exc. 11:15 a.m.
Assistant Vice President Madden	All Sessions	
<b>University of Northern Iowa:</b>		
President Kamerick	All Sessions	Exc. 11:10 a.m.
Provost Martin	All Sessions	Exc. 11:10 a.m.
Vice President Stansbury	All Sessions	Exc. 11:10 a.m.
Director Kelly	All Sessions	Exc. 11:10 a.m.
Dean Travis	Arr. 9:45 a.m.	
<b>Iowa School for the Deaf:</b>		
Superintendent Giangreco	All Sessions	Exc. 11:05 a.m.
Business Manager Kuehnhold	All Sessions	Exc. 11:05 a.m.
<b>Iowa Braille and Sight Saving School:</b>		
Superintendent Woodcock	All Sessions	Exc. 11:00 a.m.
Business Manager Berry	All Sessions	Exc. 11:00 a.m.

## GENERAL

The following business pertaining to general or miscellaneous items was transacted on Thursday, January 13, 1977.

APPROVAL OF MINUTES OF DECEMBER 9-10, 1976 MEETING. The minutes of the Board of Regents meeting held December 9-10, 1976 were approved as corrected.

COMMITTEE ON EDUCATIONAL COORDINATION. Bachelor of Science Degree in Physics, University of Iowa. The board was requested to approve the request of the University of Iowa for establishment of a Bachelor of Science Degree Program in Physics.

The Board Office reported that at its December meeting the board was presented with a proposal by the University of Iowa for the establishment of a Bachelor of Science Degree in the Department of Physics and Astronomy. The Committee on Educational Coordination has looked at this proposal and feels that it represents a sound educational objective for the University of Iowa. If approved by the board, this degree would be added to that of the current B.A. which is offered in Physics. Thus, the university would be able to offer two undergraduate curriculums in Physics, one intended for professional training and as a prelude to graduate study, and the other which would emphasize general education with some concentration in fundamental physics. It was assumed that creation of this degree program will involve no additional costs.

### MOTION:

Mr. Bailey moved the board approve the request of the University of Iowa for establishment of a Bachelor of Science Degree Program in Physics. Mr. Barber seconded the motion and it passed unanimously.

IOWA COORDINATING COUNCIL FOR POST HIGH SCHOOL EDUCATION. President Petersen reported that the January meeting of the Iowa Coordinating Council for Post High School Education took place at the studios of the Iowa Public Broadcasting Network in Des Moines. The meeting began with tours of the IPBN facilities and a brief overview of IPBN activities by several staff.

The Board Office reported that the Coordinating Council reviewed and unanimously adopted a revised draft of the Coordinating Council's Bylaws.

The following recommendations were approved by the Coordinating Council:

1. SHEEO Membership - To be handled by R. Wayne Richey, with the understanding that Mr. Richey would regularly consult with the Coordinating Council.

2. HEGIS Data Collection - Responsibility for this project to be given to the Higher Education Facilities Commission.
3. NCHEMS/HEFM Manual Project - The Coordinating Council agreed to send a representative to the two February meetings concerning this project. Mr. Carl A. Kasten, Vice President for Business and Finance at Drake University was selected. The decision as to whether the Coordinating Council will seek involvement in the HEFM project beyond the two meetings noted above will depend on the report and recommendations by Mr. Kasten following his attendance at the February meeting.
4. NCHEMS-SLIB Project - The Coordinating Council will continue its present level of involvement in this project and will be represented by Robert Barak. In taking this action the council reaffirmed its decision of last June to seek pilot test state status with respect to the development of data gathering capabilities in the area of continuing education.
5. Midwest Regional Network - The council deferred further consideration of this matter pending further clarification from the Governor's Office. Mr. Barak noted that there is some legislative interest in Iowa regarding the possibility of a formal interstate compact.
6. SHEEO/NCES Network - To be handled by the Higher Education Facilities Commission.

HIGHER EDUCATION FACILITIES COMMISSION. The board was presented with a copy of the agenda of the January 3 meeting of the Higher Education Facilities Commission.

Regent Bailey noted that he attended the Higher Education Facilities Commission meeting as well as did Mr. Richey and Mr. Barak. Regent Bailey reported that some concerns were resolved at the meeting with respect to the assignment of responsibilities with reference to different agencies. He added that Superintendent Benton of the State Department of Public Instruction offered a motion which stated that the Higher Education Facilities Commission recommends that the Iowa Coordinating Council for Post High School Education be requested to accept responsibility for Iowa participation in the SHEEO-NCES Communications Project and recommends that the council appoint the executive director from HEFC as its network representative at this time.

Regent Bailey commented that another topic of discussion of the January 3 meeting centered around the request for a \$200 grant to all students attending the private colleges regardless of need. Regent Bailey noted that some commission members expressed reservations about this.

Another matter discussed at the meeting pertained to a proposal from the Administrative Rules Committee which would cause the commission to go the route of determining eligibility for consideration for the scholarship program on the basis of ACT scores instead of on the basis of class rank. Regent Bailey noted another proposal made at the meeting was that a greater amount of emphasis be given to the ACT score in determining the rank of an individual student. The present formula is 60/40 on class

rank and ACT score. The suggestion was made by a committee member that this be 50/50. Regent Bailey noted that neither proposal was considered by the commission to be something that should be pursued and the original proposals were retained.

ACCREDITATION REPORT ON IOWA BRAILLE AND SIGHT SAVING SCHOOL. The board was reminded by the Board Office that it was presented a report on the reassessment visit to Iowa Braille and Sight Saving School carried out by the National Accreditation Council at its October 1976 meeting. Superintendent Woodcock notified the Board Office that the National Accreditation Council has formally granted reaccreditation to the school. The school is being reaccredited until December 31, 1981. Of special note to the board was a portion of the notification letter which pertains to the National Accreditation Council's recommendation with respect to: 1) increased accountability to the citizens of the state of Iowa, and 2) implementation of the agreement reached between the Board of Regents and the Department of Public Instruction.

In response to the two points raised above, Superintendent Woodcock reported that one of the National Accreditation Council's standards calls for an annual report to the public. The council would like the school to have something budgeted annually and distributed to a wider group of people. He noted that this can be done. He emphasized that the council did not indicate any lack of accountability at the school but, rather, requested the annual report. The increased accountability will just involve a little more public relations.

In the agreement with the Department of Public Instruction and the Board of Regents, Superintendent Woodcock said that the National Accreditation Council was pleased to note that the board took the initiative with respect to this general statement and the initiative resulted in a meeting last November. The National Accreditation Council is anxious for the Iowa Braille and Sight Saving School to pursue and implement this kind of agreement and also feels that the school should maintain its strong role as a resource for all visually impaired and blind children.

Superintendent Woodcock commented that the next phase of the school's three-phase accreditation program is to begin work with the Department of Public Instruction. Superintendent Woodcock stated that the North Central Association has accepted much of the National Accreditation Council's report, eliminating a lot of duplicative work. He added that the North Central Association has been in contact with the school and has asked for tentative dates to make its visitation. That visit will be prior to or shortly after the next Board of Regents meeting.

The Iowa Braille and Sight Saving School was commended by the board and the Board Office upon achieving reaccreditation by the National Accreditation Council and it was hoped that the work required to achieve such reaccreditation will result in improved educational services for the visually impaired younger citizens of Iowa.

REPORT ON REVIEW OF IOWA SCHOOL FOR THE DEAF BY THE DEPARTMENT OF PUBLIC INSTRUCTION. The board was requested to: 1) accept the report from the Department of Public Instruction of a team evaluation of the educational program at the Iowa School for the Deaf, and 2) encourage the Superintendent for Iowa School for the Deaf to take those actions necessary to implement the recommendations contained within the Department of Public Instruction's report which will lead to approval by the Department of Public Instruction of the educational program at Iowa School for the Deaf.

The Board Office noted that on April 27-28, 1976, a visiting committee consisting of staff members from the Department of Public Instruction, Vocational Rehabilitation Division and Area Education Agency 13 visited Iowa School for the Deaf at the request of Superintendent Giangreco for the purposes of reviewing and evaluating the operational procedures, programs and facilities of the school. The reasons for requesting this visit were threefold. Both Superintendent Giangreco and the Board of Regents have expressed a desire to receive approval for Iowa School for the Deaf and its programs from the Department of Public Instruction. Second, such a visit, which could be favorably compared with the accreditation visit which Iowa School for the Deaf underwent in the last year, provides an other avenue by which the school can be made aware of both its strengths and its weaknesses and can receive recommendations on how the weaknesses can be eliminated. Finally, the Superintendent of Public Instruction has come to feel that recent federal legislation requires him to take a somewhat greater role in the educational programs of schools like Iowa School for the Deaf than he has in the past.

The Board Office added that the April 27-28 visit and the evaluation and recommendations which it produced provided the opportunity for the Department of Public Instruction to become better acquainted with the educational program at Iowa School for the Deaf. It also has given it the opportunity to make suggestions for improvement of the program.

Superintendent Giangreco stated that the school is "trailblazing" with the Department of Public Instruction as far as approval goes. He commented on some of the statements made by the visiting team. He said the school has held several staff meetings at which the concept of "mainstreaming" and its implications for the school were discussed. The staff has been assured that "mainstreaming" does not represent a threat to the school. The concept (by which handicapped youths may be educated in their local school district) will open some additional options so that a sequence of services based upon the individual needs of the handicapped child will be available. Thus, programs are based upon the individual needs of children, rather than children being placed in whatever program might be available.

The visiting team reported that one of the areas which will have to be addressed, if the school is to receive temporary approval from the Department of Public Instruction, is that of certification, not only for the teaching faculty, but also for the personnel involved in administration and guidance. Such certification involves, in general, the acquisition of at least two "approvals" for these persons. It was determined that between two-thirds and three-quarters of the total professional staff at the Iowa School for the Deaf have obtained teaching endorsement approval 82 (instruction for the hearing handicapped). The visiting team commended

the institution for encouraging its staff to have this approval and the requisite training. In addition to this approval, each staff member needs to be certified for the particular subject area that is taught or in which responsibility lies. A number of instances exist in which staff are not properly certified for the job they are filling; that is, they do not have proper approval to teach the subject matter assigned them or to teach at the particular level that they are assigned. Superintendent Giangreco indicated that many of the personnel have moved to obtain the necessary approvals or the course work and training necessary to qualify for the approvals.

Regent Collison asked if the school is able to give sufficient attention to individual student guidance. Superintendent Giangreco said the school is able to give sufficient attention. He added that certification of teachers will be completed within the next two years with the Iowa State University program. He added that the school has at least one workshop a month in the area of individually guided education. He said that before the school year opens next year there will be a complete folder on each child. During the summer months all parents of students at the school will have an opportunity to see the long and short-range plans for their child. This, he added, has taken a lot of work. He emphasized that guidance is also achieved through family counseling. Superintendent Giangreco reported that the school has set up a parents' committee to review the curriculum of the school. He commented that it is hard to get the people together but it does give the parents more of a sense of involvement in the school's program.

The severity rating scale was discussed and Superintendent Giangreco commented that it will be completed by February. This will fulfill the need for individual pupil goals and objectives as requested by the visiting team.

Regent Collison said that at this time there is a great deal of attention given to placement because of the new Department of Public Instruction involvement. She asked if the school is able to get enough inservice kinds of things going so that its staff is aware of the kind of evaluations it will be up against. Superintendent Giangreco responded in the affirmative.

President Petersen noted that since there are several different professional points of view with regard to education of the deaf that it might be well to capitalize on the fact that the school has taken the initiative and do a Regents review and evaluation of the school. This would draw in some additional professional people in an attempt to give the school and the Department of Public Instruction a broader view of Iowa School for the Deaf's programs. Mr. Richey commented with respect to the philosophical differences in how education of the deaf should be carried out. He concurred with President Petersen's suggestion due to the fact that there are so many evaluation standards. President Petersen recommended this not only in terms of enhancing and improving an already good program but in light of the state of uncertainty in the area of education of the deaf. Regent Collison concurred with the suggestion made. She added that perhaps the board could emphasize that the programs are based upon the individual needs of children rather than the children being placed in whatever program might be available. She said President Petersen's suggestion might go a long way toward clarifying the deaf program.

January 13-14, 1977

In response to the suggestion by President Petersen, Superintendent Giangreco reported that eventually the state plan will incorporate information which will clarify the deaf program.

Regent Shaw said that individual programs for children are not a new concept. He stressed that education is a continuing thing. He said that some parents have a low motivation for the education of their child because of their background or because of the child's handicap whereas other parents stress extremely high goals for their children. He said he is very skeptical of individual programs in the sense that some people are expected to achieve more at higher levels than others. It doesn't allow any room for the "late bloomer" when you start in the second, third, and fourth grade.

Mr. Richey said he feels the time is quite propitious for the board to have its own team meld together the two recent "accreditation" reports of the Iowa School for the Deaf, do further study and evaluation on its own, and come out with concrete recommendations that would aid the school in meeting its objectives of the next decade. He said it would also aid in relating to the state-wide picture of deaf education. He said it would be helpful to Superintendent Giangreco, Iowa School for the Deaf, and the state of Iowa. It would also give the Board of Regents a third party's look at the school. President Petersen said the board needs to have some good work done building on the work that has already been done, continuing the kind of leadership in deaf education that has gone on in the past at the Iowa School for the Deaf.

With respect to hiring a third party, Regent Baldrige encouraged that persons be hired who are aware of the latest developments in technology. He wondered if some of the equipment at the Iowa School for the Deaf is really up to date.

Regent Bailey also concurred with President Petersen's and Mr. Richey's suggestion. He said he would like to see a review to include what the degree of success of the school is at the present time. He said, however, that he wasn't sure how that could be measured or put into concrete form. He said that it may be helpful to know how many of the students go on to college and how successful they are, etc. He said there should not be any changes made that could lead to the board's detriment instead of to its benefit. He added that the board should know the degree of its successes and failures with the current program in analyzing the whole situation. President Petersen agreed with Regent Bailey's statement. Superintendent Giangreco noted that the school has the information Regent Bailey was referring to and that information is kept current.

President Petersen asked Superintendent Giangreco if he would be willing to work with the Board Office in outlining an appropriate group to help the school in its leadership function, to come back to the board at a later date. Superintendent Giangreco said he would be willing.

**MOTION:**

Mr. Zumbach moved that the board mandate development of a proposal as recommended in the above discussion to be presented to the board in February. Mrs. Collison seconded the motion and it passed unanimously.

Superintendent Woodcock said that the Department of Public Instruction is requiring a dual standard for the Iowa Braille and Sight Saving School which the school is willing to accept. The standard puts the Iowa Braille and Sight Saving School in a higher category. The Department of Public Instruction requires Iowa Braille and Sight Saving School teachers to have special certification in the area of the deaf and blind as well as in the subject area they teach. If a child is deaf or blind in a public school, teachers are required to be certified only to teach that level. Along that same line, Superintendent Giangreco said that 95% of the Iowa School for the Deaf teachers already have dual certification.

Mr. Richey stated that the board would be receiving a complete copy of the report by the Department of Public Instruction and urged members to read it carefully, ascertaining some of the strengths and concerns expressed by the visitation team.

In absence of objections, President Petersen accepted the report for the board.

ACCREDITATION REPORT ON MUSIC PROGRAM, IOWA STATE UNIVERSITY. The board was requested to accept notification of elevation to full membership for the Department of Music at Iowa State University from the National Association of Schools of Music.

The Board Office stated that Iowa State University has recently been notified that it has achieved full membership with the National Association of Schools of Music and that two of its degree programs, that of Bachelor of Music and Bachelor of Arts with Music Major, are now listed as accredited programs with the National Association of Schools of Music. Until this time, the music program at Iowa State has held associate membership and action on its request for full membership had been deferred because of NASM's concern over the physical facilities available to the music program. Continued support by the board for funds for a new music building and planning money in the amount of \$175,000 provided by the last session of the legislature has alleviated the National Association of Schools of Music's concern.

Vice President Christensen said the university is very pleased to have this membership because it provides it with a very effective mechanism for quality control. He added that the lack of appropriate facilities was taken into consideration and the National Association of Schools of Music feels proper steps are being met to correct the deficiencies.

MOTION:

Mrs. Collison moved the board accept the notification of elevation to full membership for the Department of Music at Iowa State University from the National Association of Schools of Music. Mr. Bailey seconded the motion and it passed unanimously.

LEGISLATIVE PROGRAM - 1977 SESSION. The Board Office reported that the 1977 session of the legislature would begin Monday, January 17. The Board of Regents, at its December meeting, continued action on its legislative program. The program at this point consisted of two proposed bills and position statements on three matters.



The report divided itself into three areas of the legislative program. First, there was the recommended addition to the legislative proposals of a bill dealing with tort claims. (This item and discussion is found later in these minutes under the heading "Renewal of Insurance Liability Coverage for Errors and Omissions.") Second, there was the matter of the board taking a position on optometric education. Third, the legislature formed a number of interim study committees and assigned to these committees specific topics to review and to make recommendations to the 1977 session. The following topics involved at this time are:

A. Optometric Education. President Boyd reported that optometric education was discussed at the recent legislative visitation committee meeting at the University of Iowa. The question was raised at that time as to whether there was interest in establishing a school of optometry or whether the buying of seats would be more feasible. He said there seemed to be much more interest regarding the buying of seats than the establishment of a school. There was also discussion about allied health people at that time. President Boyd reported that Dr. Paul Seebohm, Professor, Medicine, University of Iowa, was present to provide the board with additional information on that subject. For clarification, Mr. Richey stated that a vote was taken at the legislative visitation meeting in Iowa City against conducting a feasibility study as to the establishment of a college of optometry.

Information presented the board stated that an indepth study of health manpower in Iowa was completed by the Office for Planning and Programming, Division of State Planning in July of 1975. It was found that, overall, Iowa has 100.9% of its needs met by active optometrists under the age of 65. However, as in all health professions, there is a problem of distribution. In the study, a less than 80% meeting of need by optometrists under the age of 65 was considered to indicate a significant shortage. Under this criterion, three of the 16 designated planning areas were found wanting. These were Regions VIII, IX, and XI. Six of the 15 counties in these regions had less than 80% of need met. On the other hand, nine had over 80% and of these, five exceeded 100%. The percent of need met by region ranged from 55.6% to 219.2%. The study concluded that all shortages could be met by the establishment of 65 new optometrists in practice in selected localities.

The number of Iowans enrolled in optometry in the United States has not changed significantly. In the academic year 1975-76 there were 76 in six schools. It was noted that 51 students in Iowa took the Optometric College Admission Test last year. This indicates a continuing interest in optometry among young people in Iowa.

There are now 12 accredited schools and colleges of optometry in the United States and one in Canada. In the academic year 1975-76 there were 3,887 students enrolled in the 12 accredited United States schools. (There were no United States students in the Canadian school.) First year enrollment was 1,057 and two new schools (Alabama and State University of New York) had not reached the planned growth in the educational sector. Two authorized public schools (Florida and Missouri) have not been funded.

The Health Professions Educations Assistance Act of 1976 provides, among other things, for capitation grants to schools and colleges of optometry. Title V deals with this matter and sets forth the requirements for eligibility. There are two alternative ways of becoming eligible: 1) increase of enrollment by 5% for schools with entering classes of less than 100, or 2.5% or five students, whichever is greater for schools with entering classes of more than 100, or 2) acceptance of entering students from states without optometry schools in the number of 25% of the entering class for publicly supported schools and 50% for privately supported schools.

Since most of the schools are operating at capacity, the second alternative may be the one chosen. In this event it can be estimated that approximately 100 places will become available to students from states without schools which represents a 10% increase. The Association of Schools and Colleges of Optometry is acting as an agent for states seeking contracts for buying seats.

Dr. Seebohm reported that in recent years the national organizations concerned with ophthalmology practice have had the standards for training and practice of allied health personnel in ophthalmology under study. Presently, five classes have been defined and the criteria for training and certification established. The categories are: Ophthalmic Assistant B, Ophthalmic Assistant A, Ophthalmic Technician, Ophthalmic Technologist, Orthoptist.

Dr. Seebohm said that in Iowa, orthoptists have been trained for many years in the Department of Ophthalmology of the University of Iowa. Two students are graduated each year, and a basic science course is given annually for approximately 20 students from other programs in the country. The latter is sponsored by the American Orthoptic Council and in recent years has been held in Iowa under the directorship of Dr. William Scott, Professor in the Department of Ophthalmology.

There are now eight schools or organizations training ophthalmic assistants and seven schools training ophthalmic technicians. The civilian schools provide approximately 100 places for assistants and 48 places for technicians which are 90% and 80% filled respectively. The nearest technician school is in St. Paul, Minnesota.

Dr. Seebohm noted that there are no immediate plans for the establishment of ophthalmic assistant or technician training in Iowa. However, allied health training in ophthalmology is being closely monitored by the faculty of the Department of Ophthalmology as well as the Ophthalmologists in the state of Iowa. Dr. Scott is secretary of the American Orthoptic Council and continues to represent ophthalmology in policy development in this area nationally.

Regent Shaw commented with respect to the capitation grants to schools and colleges of optometry. He asked if schools get so much per seat that it has in optometry. Dr. Seebohm responded in the affirmative. Regent Shaw said that could be quite an incentive for a school to qualify. Dr. Seebohm agreed. He said the option is available of taking 25% or, in the case of private schools, 50% of non-residents in the school to qualify for capitation without increased enrollment. Regent Shaw asked if it might be an adequate substitute for a state, Iowa, for instance, to have a state subsidy program. Mr. Richey said he wasn't sure the board would want to apply that to veterinary medicine at Iowa State University. 373

Costs are \$6,000 to \$8,000 per student in that program. The capitation grant doesn't even come close to providing that much money for each student. He noted the grant pays \$3,000 per student.

Regent Bailey noted that 50 Iowa students enrolled in the Illinois College of Optometry in 1975 as compared to four at the University of Houston's College of Optometry, eight at the Pacific University's College of Optometry, four at Southern California's College of Optometry, and six at the Southern College of Optometry. He said it is rewarding that students have been attending Illinois in the past because location-wise to Iowa, it promotes students to return to Iowa to practice. For the board's information, Dr. Seebohm noted that the Illinois College of Optometry is a private school.

Regent Collison asked if most of the allied health manpower funds are exhausted. Dr. Seebohm reported there is still some activity in the allied areas. Regent Collison went on to ask about proposed legislation that optometrists be able to dispense medicine. Dr. Seebohm clarified Regent Collison's statement by saying that optometrists have asked for the privilege of using drugs to dilate the pupil for examination, not for treatment. Regent Collison said she presumed that a number of those optometrists, then, involved in using drugs to dilate the pupil are going to have to be certified. She asked if there is any kind of move afoot for a study in this respect. She said she fears it may someday be impossible for the public to determine or judge the quality of care being provided.

Dr. Seebohm responded to Regent Collison's last concern by saying there is action at the national level to set up classifications and a method for certification of graduates from these programs. At the present time this group has certified a total of 1,296 people in these various classifications including the 54 orthoptists.

Regent Baldrige reported that he knows of three optometrists who will be retiring in his area this year. He said he wanted to know how many seats the state should be purchasing to keep Iowa up to the required number of eye doctors. He said he feels the number should be more than ten due to the fact that three optometrists will be retiring from his area alone. In response, Dr. Seebohm said the only statement he could make is based on present enrollment in optometry schools. He said there are more optometry students than there were a few years ago and it appears that the number will be increasing. He estimated that 20 to 25 new optometrists are needed in Iowa. Mr. Richey said he thought the optometric group at one time indicated a need for 30 new optometry doctors in Iowa.

Regent Shaw asked what percentage of students going to optometry schools outside the state of residence go under a contract. He said the buying of seats may be a good idea because it would freeze the market, enabling the most qualified students to gain admittance. Dr. Seebohm said that Illinois, for example, has 43 contract students out of a class of 150 optometry students. He said that shows a fair amount of cooperative activity.

President Petersen thanked Dr. Seebohm for the research he has done in response to legislative and board concerns regarding optometric education.

Further discussion relating to the legislative program was temporarily postponed.

SCHEDULE ON BOARD OF REGENTS HEARINGS. Mr. Richey reported that budget hearings are scheduled for the Board of Regents before the Subcommittee on Educational Appropriations on Wednesday, February 2, and Thursday, February 3. Each of those are three-hour sessions. The materials to be developed for this hearing have to be in the Legislative Fiscal Office by January 26. If the board is unable to complete its presentations on those two days, the next meeting of the committee, February 8th, has also been reserved for Board of Regents' use. Those hearings are only for the operating portion of the board's budget and it is understood that on or about February 15 there will be opportunity for the board to present its capital request. Mr. Richey reported that the Governor's budget message would be delivered tomorrow and at that time the Board Office will have a report out to the board on his recommendations.

President Petersen requested that any recommendations or suggestions as to the format for the presentation to the Subcommittee on Educational Appropriations be brought forward to the Board Office as soon as possible. Mr. Richey reported that the board has customarily had him go through the entire budget process of the budget documents with the committees and has then just answered general questions, with the main presentation coming at a later meeting. Now that the board has only two three-hour sessions, that procedure may not be feasible except as an early component of the presentation. One of the main benefits of doing it that way is that it has established a great deal of confidence on the part of the committee in the Regents' information.

President Petersen noted she would be passing around a sheet so board members could indicate how many of the hearings they could attend.

Discussion then returned to the Board of Regents' legislative program.

LEGISLATIVE PROGRAM - 1977 SESSION (continued). B. Coal Research Project. President Parks introduced Vice President D. J. Zaffarano, Research, and Dean of Graduate College, Iowa State University and Dr. Robert Hansen, Director, Energy and Mineral Resource Research Institute, Iowa State University.

Dr. Hansen noted that the Iowa coal project was initiated in June of 1974 as a three-year program with funding of \$3 million. The act provided that any unencumbered funds remaining on June 30, 1977 shall revert to the General Fund on September 30, 1977. An interim study committee has recommended an appropriation of \$2,155,000 to Iowa State University to continue this coal research project.

Dr. Hansen said the principle objectives of the coal research project are: 1) evaluating technology for the surface mining of Iowa coal with full restoration of the land and demonstrating reliable estimates of the cost, and 2) evaluating methods for the beneficiation of Iowa coal in demonstrating these methods in a sufficiently large scale to provide reliable estimates of the cost.

A demonstration mine near Bussey, Iowa has been established by Iowa State University and 90,000 tons of coal have been removed and there remains about 30,000 more tons of coal there. He said that restoration of the land is proceeding on schedule. The coal desulfuring machine has a

design capacity to handle 70 tons per hour and it has been known to run through up to 80 tons per hour. Dr. Hansen reported that of the eight mines in Iowa, four of them can be beneficiated to six pounds SO<sup>2</sup> per million BTU which is standard for existing plants in Iowa but is not the instantaneous standard, which is five. He said there is some concern expressed in that respect. He reported that right now the coal market in Iowa is soft and is having difficulty meeting the sulfur standards. For political reasons, the Governor's Office is not presently eager to have a second demonstration mine initiated. He said that while the university will not be producing coal in the next two years, it will be beneficiating coal. The federal government has provided about \$500,000 since the first of July for the beneficiation process.

Dr. Hansen reported that three years ago when the interruptible gas supply was going to be shut off, coal was seriously looked at as an alternate source of energy. He noted that now, however, coal has been put on the market at a time when the market is soft. Miners are very concerned about seeing a large additional source of coal go on the Iowa market in the immediate future. He added he feels that is one of the reasons the state is not very anxious to have Iowa State University operate another demonstration mine in the next two years.

Regent Zumbach commented that one of the initial rationales for supporting coal research was the hope that Iowa coal resources may eventually be developed. He reported he has had the opportunity to read some of the work done on coal in the Economics Department of Iowa State University. Those researchers seem to suggest that the possibilities of using any great amount of Iowa coal is remote due to the coal's quality. He asked if that changes in any way the course mapped for research of coal. He commented, also, that technology from other states in their coal research projects should be transferrable for Iowa's use. Dr. Hansen said the problem does not end with the cost of coal mining and that the cost of transporting the coal is an equally serious problem. By research on the possibilities of coal usage for Iowa, a ceiling on the price Iowa has to pay for energy will also be explored. Iowa coal provides a resource in the event of any other energy shortages.

Dr. Hansen said there are reservations about the economics of Iowa coal. He said it is his opinion that it will not be much cheaper to buy coal in Iowa than from somewhere else. Regent Zumbach responded by saying Dr. Hansen's argument was basically a "monopoly" argument. He added that he didn't feel it was a valid argument because Iowa coal is one of the last to be developed. He asked to what extent the university would proceed to develop research that may not even develop within the next 50 years. Dr. Hansen responded by saying the time scale is much shorter than 50 years. He said that government planning is based on the idea that the cost of oil and gas will be \$40 per million BTU around 1990. That would hit fairly heavily the lower third of families because their energy bill would increase from about \$1200 a year to about \$5,000.

Regent Bailey noted that the types of strata are not well known and asked if a logical approach would be to get more funds for developing that information. Dr. Hansen said research on this is proceeding as rapidly as possible.

Regent Collison requested emphasis be made with respect to restoration of the land after coal research is done. She noted portions of southern Iowa have problems as far as the economic future is concerned.

Regent Shaw said that research on coal usage is being done throughout the country and emphasized that Iowa must make sure that it does not "reinvent the wheel" but that it obtains the latest information on such research. He added he feels the greatest contribution to coal research would be in the laboratories rather than out in the actual digging sites. Dr. Hansen assured Regent Shaw that his concerns are being considered.

Dr. Zaffarano reported that the board should try to understand the Iowa situation vis-a-vis the national situation. In some senses, this coal project is a very valuable insurance premium for the state of Iowa.

President Parks said he is extremely proud of the progress that has been made on the coal research project. He praised Dr. Hansen and Dr. Zaffarano for the work they have done on the project. He said that while at the present time it is not known what the outcome of the project will be, it could have national or world-wide import. He said he feels it would be a crime if the project would be terminated. He noted that it might be feasible to ask the federal government for more funding as the Iowa coal research project may have more national import than we realize.

President Petersen noted that the board has been most supportive of the coal research project and has shared the university's pride in the work of the group doing the research. She said the board will support the request for funding of the project when it appears before the legislature.

C. Performance Audit. The board was requested to adopt a position and seek legislative revisions to the proposed bill to the effect that the proposed legislative performance audit bureau shall examine only non-academic issues.

Mr. Richey reported that House Concurrent Resolution 162, introduced during the Second Session of the 66th General Assembly, requested that the Iowa Legislative Council create a study committee to conduct a study on the "sunset concept" relating to the growth of governmental bureaucracy. The Iowa Legislative Council on July 14, 1976 created the Legislative Oversight Capabilities Study Committee to study legislative oversight capabilities including performance auditing and the concept of the "sunset law."

The study committee held meetings and heard testimony from a number of individuals and several committee members and staff attended a meeting in Colorado on Colorado's "sunset law." Based upon its discussion and the testimony it has received, the committee recommended passage of a draft bill establishing a legislative oversight bureau. This proposed legislation was presented to the board last month. The primary function of the bureau would be to review the performance of state agencies and programs, including those of the Regents institutions. Mr. Richey commented such reviews by non-educators and particularly government personnel present a potential threat to the academic freedom and autonomy of the Regents institutions. For this reason, it seems imperative that the Regents adopt a policy and seek changes in the proposed law that would prohibit the proposed performance audit bureau from examining issues related to academic freedom within the Regents institutions. Mr. Richey said he feels it is important that no post-audit examine the content of the various academic programs including degree requirement, major curriculum or courses within the Regents institutions. It is equally important that the post-audits not examine the manner in which individual faculty members or groups of faculty members conduct their instructional research or public service activities. This position would not, of course, preclude the proposed

bureau from reviewing the procedures by which decisions are made and priority set in the Board of Regents institutions or the manner in which such decisions and priorities are implemented.

Mr. Richey said the proposed legislation does provide the proposed performance audit bureau with the authority to hire technical consultants as may be necessary to conduct a performance audit. Potentially this could mean that the persons knowledgeable about educational programs could be hired to conduct reviews in the academic area. While this may be less objectionable than having regular audit bureau personnel conduct the evaluation, such evaluations can still be misused if considerable care is not taken in the selection of the technical consultants and if appropriate resources are not available to provide the technical consultants with sufficient time and staff to do an appropriate evaluation. He strongly recommended that the board adopt a policy seeking exclusion from the audit law for the academic areas.

In response to a question, Mr. Richey said he recognizes that theoretically the performance audits could employ educational consultants to come in and evaluate the board's educational programs but he added that he feels this ought to be a decision made separately by the General Assembly and not routinely by the performance audit section.

Regent Baldrige reported that the State Radio and Television Facilities meeting will be Thursday, January 20. He suggested that the Board of Regents have the same concern with intrusion into programming as it does with academic program review. He said the State Radio and Television Facilities Board may like to join or be associated with any exemption on this because of the existing federal structure and freedom to program. Mr. Richey responded by saying he feels the two ought to be independent actions. He noted that while the two boards could react in the same way to similar problems, he didn't think they ought to do it in concert with each other. Regent Baldrige said he basically just wanted to alert the board that there is a good possibility that the State Radio and Television Facilities Board will ask for an exemption with respect to performance audit, also. Mr. Richey stressed that the board wants to maintain separateness and isolation of the academic process itself.

Regent Collison supported Mr. Richey's statement by saying she feels the board can view academic freedom as a tenet of this board and the fact that the board would reserve its actual rights under those kinds of tenets. She stressed that should be the board's thrust on the proposed legislation. President Petersen reiterated that if the bill moves along and appears to be a reality, the board would definitely be asking for an amendment. Regent Collison said working ahead of the action is a much more valid way to look at this matter.

Regent Bailey expressed reservation about the action recommended for the board. He said he has a problem with the fact that the Board of Regents was established by the constitution and the statute to run educational institutions. He noted that to tell a legislator he or she couldn't check to see whether the board was doing its job is not one of the board's prerogatives. He emphasized his concern but also stated that the board needs to protect those areas that are historically unfringed upon by outsiders.



President Boyd said he felt what Regent Bailey was meaning to say was that the board was not asserting it is outside of accountability, but that accountability in the area of academics is differently ascertained or arrived at through that kind of vehicle. He added that we have been laboring very hard to develop some kind of review mechanism of academic programs. President Petersen noted that the board, itself, serves as an ongoing performance auditor for the institutions. Many agencies don't have that kind of continual responsibility vested in a body that is held responsible for that function.

Regent Zumbach commented that while he was in agreement that the board should seek some kind of exemption, he was puzzled as to the way it should be handled. He noted that there is a great difference in the type of exemption the board seeks. He asked whether the board should take a general approach or try to identify specific kinds of examples. Mr. Richey recommended the board restrict the audit to non-academic aspects of institutional operations. He said he feels everyone knows what non-academic aspects involve. He commented that a little controversy as to that definition might not be unhealthy, either.

Regent Baldrige noted that the board is unique in having its own accrediting system and asked if there is some way that in the process of asking for this exemption that this point can be emphasized. He reported that some legislators don't realize that performance auditing already exists in the Regents institutions. He added that those reviews are public record and could be routinely filed with any performance agency established by the legislature. He said he is very conscious of what President Boyd stated that the board does not want it to be understood that it isn't accountable in the academic area, because it is. President Boyd reemphasized that the board uses the best techniques available at the time to audit its academic programs. He then volunteered his assistant, Randall Bezanson, to work with Mr. Richey in terms of writing up the board's feeling against review of its academic programs by performance audit. Mr. Richey noted that Mr. Bezanson is already working on this.

Regent Shaw said he has trouble with the philosophical aspect of this issue. He noted there may be problems in implying that the Board of Regents should be free in some of its obligations whereas other agencies would not. He said probably the legislature has as much right to look at the decisions the board makes with respect to academic programs as it does, for example, to look at client relationships in social welfare programs. He said the board may be better off not to seek an exemption, realizing that the whole process may not be that beneficial.

President Boyd said he has never thought that academic freedom meant "license" and no one has ever asserted that within the institution. There is still accountability and the question is how to best arrive at accountability. He reported that the board is dealing with a very peculiar venture with which it has had a lot of difficulty arriving at the best measurement.

Regent Slife asked if the board could protect its whole area of academic freedom but, rather than try to "carve out" the academic areas, lobby for a law to apply to the Board of Regents only, letting the proposed performance auditors do all the searching, investigating, and auditing they



January 13-14, 1977

want to in the Board Office and with the board, but staying off the Regents' campuses. Mr. Richey responded that since the board has ultimate authority over the Regents' institutions under Chapter 262 of the Code, he didn't see how the board could separate "ultimate" authority from academic programs.

Mr. Richey emphasized that the only thing that differentiates the State Board of Regents from other state agencies is the academic programs. He said he feels that if the legislature has specific concerns about the academic programs, they could be addressed either directly or through a specific piece of legislation, using the necessary safeguards. He expressed concern with a routine mechanism of review of the academic programs.

Regent Bailey said he feels the basic issue involved here is that of public relations. He said it is important that the board does not take a position that can be interpreted as saying it is "above the law" as far as accountability is concerned. Mr. Richey commented that it is clear that the board is not saying that. President Petersen added that the board has always been subject to legislative oversight.

Regent Baldrige indicated that his definition of academic freedom also includes freedom to manage the academic enterprise. He said the Board of Regents has gained a reputation of being in favor of openness and during legislative sessions has annually answered questions about institutional missions, the professional schools, and any other questions asked by legislators. He said that perhaps the board could work out some way of furnishing information to the legislature regarding its accrediting procedures, thus being able to provide information as a board, rather than by individual institutions. He suggested that method so that the institutions could have some insulation and maintain a certain amount of their freedom.

President Parks stressed the importance of protecting the academic portion of the institutions from performance auditing. President Parks said that even though the institutions are agreeable to being audited, the board must keep repeating the admonition of keeping the academic function free from outside auditors. He said we are tremendously interested in protecting the core of academic freedom.

Mr. Richey noted that if there is serious legislative concern over stewardship at the board or institutional level, those matters are usually handled by special legislative measures or special actions. He said the Board Office will do some research on what has happened in some other states which have included academic programs in performance audits. He commented that in a given performance audit, you can very seriously affect academic programs merely by the publicity. He added that in a given moment of time higher education can be seriously hurt just by the findings of a few irresponsible people. That's the protection the board is now seeking. He again urged that if the legislature had serious questions about an academic portion of the Board of Regents' institutions that a measure or resolution be introduced in the legislature for that particular audit work. President Petersen commented that the legislature has the authority to do that now.

Vice President Martin said that outside audit of the board's academic programs would involve a "doubling up" of the oversight function with resultant duplication. President Boyd agreed with Vice President Martin.

President Kamerick supported the comments made about academic freedom and added that it might be well for the board to try to direct the activities of the performance audit group as proposed in areas where it can generally perform same, keeping it out of the areas where the board doesn't think performance auditing has any place.

Mr. Richey emphasized that his basis for requesting exemption is on the philosophical basis of independence of the academic programs. He added he was not arguing that with respect to a special study group with appropriate consultants, but was speaking specifically to any kind of a routine administrative audit into academic programs. Mr. Richey said he has no objection to non-academic performance auditing if the measure is to be enacted, but with respect to the academic function, the Board of Regents should perform the auditing upon request and furnish results thereto in cooperation with a professional consulting group, if necessary.

Regent Collison said the board should draw up a position that maintains its openness and accountability to the legislature for obtaining efficiency of management procedures. However, since the principles of academic freedom must be preserved from misunderstanding, the board would endeavor to provide details with respect to any professional study made as a result of its long-range planning of the organizations, but would not invite intrusion into the rights of students or staff. She stressed that the board should be the major provider of this information.

Regent Shaw said his idea of determining what performance auditing is involves how well a job is being done. The Regents' job is academic. He said he was not sure that the performance audit bureau proposed would be capable of auditing with the necessary expertise required for such a job. He said auditing should more properly take the form of checking to see how well the Board of Regents is doing its job, acts of omission and acts of commission, whether it is following things too closely or not closely enough, whether it should meet more often than it does, etc. The legislature is faced with resource allocation problems. If the Board of Regents is not doing its job properly, it may be draining resources of the state that ought to be going elsewhere. If the legislature can decide how well the board is doing its job, it would serve the kind of function that might be more appropriate.

Mr. Richey recommended that the board adopt a position to seek revision to the proposed bill to the effect that it should examine only non-academic programs and, further, that the Board of Regents will carry out special or specific performance audits of academic programs upon request of the legislative audit committee and furnish the results therefrom to the committee and its staff. The legislature would continue to have the option to establish special study committees by legislation to carry out broad studies of higher educational programs. Mr. Richey said specific language could be developed later in the position statement.

President Boyd reported that he received a letter this morning from one of the greatest performance auditors in the United States, complaining about the fact that we don't give enough recognition to the fact that professional staff having academic majors have more than doubled in five years. President Boyd said we are dealing with a problem here where the language is outstripping the ability to deliver. He noted that the audit of the board and the audit of the institutions involves two different things.

Mr. Richey stated that he has done performance auditing as part of his job responsibility in the budget office in Kansas. He explained that performance auditing delves into the very detail of operation. It involves a very detailed search for workload measures, outcomes, amount of staff to do it, the qualifications of the staff to do it, the flow of work, etc. While Mr. Richey said he has never performed any performance auditing at the university level, it would be a very serious proposition if it would get into the academic program itself. The board must interpose itself to protect that.

MOTION:

Mrs. Collison moved the board: 1) express no position to the auditing of non-academic functions of the Board of Regents; 2) express its willingness, upon request, to do special or specific performance audits of academic programs as distinguished from those routine performance audits upon request of the legislative audit committee, making the results known to it; and 3) note that if there are serious concerns about specific academic programs or about higher educational programs generally, that the legislative mechanism can create the appropriate committee and provide for those special studies with appropriate professional consultants. Mr. Slife seconded the motion and it passed with all members voting aye with the exception of Regent Shaw who chose to abstain.

Regent Shaw commented that he would rather not take either positive or negative action on this matter until the position paper has been formulated.

D. Proposed Legislation Relating to State Control of Federal Funds. The board was requested to: 1) request the Legislative Oversight Capabilities Study Committee to amend Section 7A.6, Code 1977, to exempt the Board of Regents from the provisions of the proposed new section relating to state control of federal funds in the event the new section is adopted, and 2) adopt the position statement dated January 6, 1977.

The Board Office reported that a bill to amend Chapter 7A, Code 1977, has been prepared for the Legislative Oversight Capabilities Study Committee for discussion purposes. The proposed bill would require any application for federal grants to be submitted to the Joint Budget Committee of the General Assembly for its consideration. The Joint Budget Committee would serve as a screening agency for any proposals going to the federal government.

The Board Office reported that the proposed legislation would have a profound effect upon the institutions under the Board of Regents. Literally thousands of proposals for federally funded research and instructional projects are developed by members of our faculties and submitted by our institutions. Our institutions receive close to \$60 million in federal funds annually of which close to \$50 million would be involved under the proposal. These funds are vital to the instruction and research missions of our universities and are a major contribution to Iowa's economy. Most of the awards of these funds by federal agencies are on a highly competitive basis nationally. Any state procedure that reduces the incentive of the faculty and institutions to apply for such funds or that delays the process of application could cause great financial loss to Iowa, not to mention the benefit of the programs themselves.

Mr. Richey reported that the paper work involved in the proposed procedure would be massive. Major delays would be unavoidable. The institutions have effective control procedures to insure that proposed projects are consistent with the missions of the institutions and to protect the state fiscally when the grants expire. The Board of Regents has never requested a state pick up of federal fund losses for sponsored research projects. Moreover, the Office for Planning and Programming now receives notice of such applications under Section 7A.6 of the Code.

Mr. Richey said that the institutions under the Board of Regents should clearly be exempted from the proposed legislation if it is seriously considered by the General Assembly.

MOTION:

Mr. Slife moved the board request the Legislative Oversight Capabilities Study Committee to amend Section 7A.6, Code 1977, to exempt the Board of Regents from the provisions of the proposed new section relating to state control of federal funds in the event the new section is adopted, and adopt the following position statement.  
Mr. Zumbach seconded the motion.

BOARD OF REGENTS  
POSITION STATEMENT ON PROPOSED AMENDMENT  
TO CHAPTER SEVEN A (7A), CODE 1977  
January 7, 1977

The Board of Regents wishes to express its concern with regard to the proposed new section to Chapter Seven A, Code 1977 relating to federal funds that was prepared by the Legislative Service Bureau for the Legislative Oversight Capabilities Study Committee for discussion purposes. This section asks that whenever an application for federal aid is prepared by a state agency it shall be submitted to the joint budget committee of the general assembly for its consideration.

Should such a recommendation be put into law, the Regents' institutions would need to be exempted from this provision, as they are now exempted from the provisions of Sections 7A.4 and 7A.5 insofar as grant-in-aid applications are concerned. Under this exemption, Regents' institutions are required to send to the Office for Planning and Programming only a copy of the grant application cover page and budget forms at the time of submission to the federal agencies.

This exemption was granted because of the large volume of applications submitted by the Regents' institutions for federal support. Over 2,000 applications were submitted for external support during the past fiscal year. The applications ranged in size from a few pages to some that were over 1,000 pages in length. Special large file rooms contain nothing but pending and active grant proposals. To duplicate, ship, store, and monitor the review correspondence for such a mass of material would increase the legislature's and the universities' administrative costs, a step both groups are trying to avoid.

Legislators considering the proposal should also be made aware that delays created by such a law would eliminate many of the opportunities the university has to seek outside funding. There is an increasing trend on the part of the federal government to seek assistance from universities through a contract bid mechanism (Requests for Proposals). These announcements appear in the federal Commerce Business Daily, and sometimes give the university less than fifteen days to respond. Such a short time to respond is experienced by all three universities for proposals in various fields. Recently, for instance, by the time the application forms arrived there was only the weekend in which to prepare the proposal. This application successfully brought \$200,000 to establish a Hemophiliac Center in the Department of Pediatrics in the University of Iowa. Should a review at the state level been necessary, the state would not have had this Center. This state with its lower than average federal support should encourage, not impede, proposal activity. Federal funds expenditures for 1975-76 of \$56.7 million for operations by Regents' institutions could deteriorate in future years if an efficient proposal process is not retained.

Outside the institution, few are aware of the very careful review procedures that occur within the Regents' institutions prior to the submission of applications to the federal government. Before any proposal is processed through the university, the project director, department chairman, collegiate dean, business officer, and a central university officer review the proposal and make sure that it fits within the educational objectives of the institution and if there are any needs for future commitments, the university has made plans to absorb them and can meet the promises that have been made within existing available resources.

Similarly, it carefully considers the adequacy of available equipped space, duplication of computer and other highly specialized equipment, and available faculty time. When awards are received, the project director is again reminded that the university does not guarantee continued support of additional personnel hired with grant funds after the grant terminates, so that appointees will be made aware of the temporary nature of their support. A grants office assures a coordinated effort, central control of the proposal process, and effective follow-up with federal administrators.

Legislators wishing to know about federal support to the Regents' institutions will find this information contained in the biennial report that is sent to each member of the legislature.

Should the legislative group considering this amendment wish further information on the board's request for exemption, the Board of Regents will arrange for the appropriate people to discuss these concerns and will furnish whatever documentation is needed.

In conclusion, the Board of Regents request amendment of Section 7A.6, Code 1977, to exempt the Board of Regents from the provisions of the proposed new section relating to legislative approval of proposals prior to submission to the federal government in the event the new section is adopted by the Legislative Oversight Capabilities Study Committee.

Mr. Richey added that the position of the board should be elaborated to include exactly what it has done with respect to those instructional federally-funded programs for which the board has requested state pick-up. He reported that the board has also said that if any institution under the board's jurisdiction were to apply for or receive federal funds for instructional programs which involved a future commitment on the part of the state that those would be brought specifically to the board at that time so it would know about them and could make a decision on that program at that time.

Regent Collison said she finds nothing wrong with the legislature picking up the funding of some programs when the federal money runs out. She noted that there is a gray area of misunderstanding that needs to be clarified in the way the board opposes this bill.

VOTE ON MOTION:                   The motion passed unanimously.

E. Road Financing. The Board Office reported that an interim study committee has recommended a three cent increase in the gas tax. This will take the gas tax from its current seven cent level to ten cents and will yield somewhere between \$52 million and \$54 million more annually for the road use tax fund. The proposal makes only a minor change in the institutional road program in that rather than the \$1.4 million annual allotment for this program coming directly off the top of the road use fund it would come directly off the top of the primary roads fund. The proposal does not provide for the state park and institutional road program to share in any of this increased funding.

The last time the institutional road fund was increased was in 1972, when it went from \$1 million to \$1.4 million. User agencies are the Board of Regents, Department of Social Services, State Conservation Commission and National Guard at Camp Dodge. The Board of Regents' institutions receive approximately 36% of \$500,000 annually from this fund.

The projected resources and allocations of the primary road fund, as shown by the Department of Transportation for the period 1976-81, shows that the state road use tax was projected to increase from \$127 million in 1976 to \$154 million in 1981. The total amount of resources available from the primary road fund showed a lesser percentage increase going from \$225 million in 1976 to \$261 million in 1981. This is because federal aid apportionment remained virtually stable throughout the period. Although the matter certainly needs further study, preliminary indications are that it would seem reasonable that the institutional road fund ought to share proportionately in any increase in the amount going from the fuel

tax into the primary road fund. This might call for a proportionate increase of approximately 40% in the institutional road fund which would yield approximately \$500,000 total for the fund and would mean that the Board of Regents' institutions could be eligible to receive approximately \$200,000 more annually. What is definitely known is that the situation of a stable fund in the face of continuing inflation is a situation which cannot continue. The Board of Regents is now meeting 29% of its institutional road construction needs. This figure continues to decline annually and, in addition, the institutions are increasingly having to look toward their own resources to fund urgently needed projects and also projects have to be scattered over a number of years, all of which leads to an untenable situation.

The Board Office stated that it plans to do additional consulting with the other user agencies. In addition, there is a legislative proposal by the area schools to include those schools in the institutional road program. The area schools estimate this would cost approximately \$500,000 per year. An additional agency to the program should be done only if the funds follow the agency. Theoretically, then, the board may be talking about a million dollar increase in the institutional road allotment of which the Board of Regents would receive minimally \$200,000 annually.

Mr. Richey commented that further discussion of this issue will be before the board at its February meeting. The Board Office, in the meantime, will be in consultation with the institutions and other state agencies.

F. Study Bill on Use of Iowa State Industries. The Board Office recommended no action at this time as the bill requires further study as to possible amendments.

The board was presented a copy of a bill drafted by the Legislative Service Bureau at the request of the Adult Penal and Correctional System Study Committee for consideration by the 1977 legislature. This study committee examined, during the interim between the sessions, several questions relating to penal institutions. These questions included usage made of Iowa State Industries by state agencies. The problem addressed was how to expand industry at the correctional institutions and thereby employ many inmates who do not have jobs at the present time.

The answer, as far as the study committee is concerned, on how to increase usage of Iowa State Industries follows in three specific points: 1) all state agencies would be required to purchase its needs manufactured by Iowa State Industries from industries whenever industries were able to furnish similar articles or supplies of comparable quality at comparable prices in a reasonable length of time; 2) regardless of any requirements to the contrary appearing elsewhere in the Code, bids need not be taken for the purchase of items produced and sold by Iowa State Industries; 3) whenever a dispute existed between a purchasing authority and Iowa State Industries based on similarity of articles or comparability of quality and price, the matter shall be referred to the director of the Department of General Services whose decision shall be subject to appeal to the State Executive Council for final decision as provided in Section 18.7 of the Code. The effective date of the new procedure would be January 1, 1978.

The Board Office noted that it has long felt that Iowa State Industries should be more competitive and more actively seek business from all state



agencies. Despite repeated invitations, the representatives of Iowa State Industries do not call regularly on the purchasing offices at the institutions. The Board Office has held meetings with representatives of prison industries to familiarize itself with their product lines. The intent of the bill seems to indicate that state agencies have an obligation to purchase their needs through Iowa State Industries. The requirement that Iowa State Industry products do not need to be bid enforces this impression. The Board Office expressed concern that this special status for Iowa State Industries could lead to a deterioration of quality of products provided since "Industries" need not be competitive in the market place.

Mr. Richey said he feels the board's approach should be one of willing cooperation when Iowa State Industries manufacture the kinds of equipment that are useful to its institutions and when these can be purchased at a competitive price. He said the board must not convey a negative approach to buying from Iowa State Industries. He noted, however, that prison industries are in a highly competitive situation because of the wide-ranging discounts we receive from vendors on many items of equipment.

G. Proposed Risk Management Division. The Board Office reported that the Legislative Service Bureau has prepared a bill which would create a Risk Management Division within the Department of Insurance. The proposed division headed by a state risk manager would be responsible for establishing procedures which will assure that state property and liability risk exposures are treated in an efficient and uniform manner.

The pooling of state-wide insurance needs is currently being studied by the Insurance Department at the State University of Iowa and the results will be reported to the legislative committee on January 20. Mr. Richey noted that a detailed analysis of the impact on the Regent institutions will be provided to the board at the earliest possible date.

Mr. Richey reported that the interinstitutional ad hoc committee established to study this will be meeting tomorrow.

H. Draft Bill for Certificate of Need Subcommittee. Mr. Richey commented that a tentative bill draft has been prepared for the Certificate of Need Subcommittee of the joint committees on Human Resources, December, 1976.

The bill provides for: 1) certificate of need for health care institutions before new services are implemented; 2) uniform accounting, and 3) rate regulation for hospitals.

Mr. Richey reported that the University Hospitals staff is analyzing the bill to provide a specific recommendation to the board.

I. Final Report of the Collective Bargaining Administration Study Committee and Proposed Bill. The board was presented a copy of the final report of the state legislature's Collective Bargaining Administration Study Committee together with the proposed bill reflecting the recommendations of this committee to amend the Public Employment Relations



Act. The Board Office noted that it is in the process of preparing recommendations for the board in response to the committee's action for the February Board of Regents meeting.

Mr. Richey reminded the board that it has taken positions on various amendments, some of which were accepted by the study committee, and some of which were not. He said the Board Office will look at this in greater detail now that it has in-house professional people to work on it. There may be a possibility that some consulting help would also be necessary in conjunction with the people currently engaged by the University of Northern Iowa on its bargaining in terms of practical experience, etc.

President Kamerick said he feels there is a very great need for the University of Northern Iowa, particularly, as well as the other Regents institutions, to be kept abreast of PERB decisions as they are made. He noted that now that the Board Office has a Director of Employment Relations, Robert Grant, possibly that job could be handled in the Board Office. He requested Mr. Grant not only give the universities a summary of the meaning of some Public Employment Relations Board's decisions, but also codify what has been done up to this time with the Public Employment Relations Board. He noted that at the present time the university simply gets the PERB decisions and added that sometimes they are hard to define. Mr. Richey commented that the requests made by President Kamerick will be a routine part of Mr. Grant's responsibilities. With respect to specific issues on legislation, however, some outside help may be necessary. He noted that the Board Office also intends to work very closely with the interinstitutional committee on positions arising from the study.

I. Professional Teachers Board. Mr. Richey noted that there has been a press report with respect to a proposal by the Iowa State Education Association for the establishment of a professional teaching practices commission or something similar to that. He reminded the board that it had expressed serious concerns a year or two ago removing this from the Board of Public Instruction. Mr. Richey noted that he had expressed concerns about the possibility, under this proposal, of such an agency being a special interest group, particularly with the advent of collective bargaining throughout the state in the public school sector. It was feared that such an interest group might control entry into the teaching market and the programs of universities and colleges offering teacher education programs.

MOTION:

Mr. Baldrige moved the board oppose the establishment of a professional standards board. Mr. Barber seconded the motion and it passed unanimously.

J. Energy Standards. The Board Office reported that the Energy Resources Interim Study Committee has recommended legislation which would require the State Building Code Commissioner to establish energy efficiency standards for new buildings and additions after January 1, 1978. Mr. Richey said it is expected that the board will be given the opportunity to input into the establishment of such standards.

Regent Bailey suggested that the board in the very near future research and make special determinations as to structural alternatives regarding energy standards. He said the board should make factual input with respect to costs and efficiency of the products used.

K. Mental Health Delivery and Administration. Regent Collison reported that there is an effort being made to cooperate with a legislative study committee and the Department of Social Services, through an Advisory Committee on Mental Health, on this matter. It is likely that there will be a report on this matter at the February board meeting since this committee will be meeting in early February.

L. Sunset Law. The Board Office reported that it understands that the interim committee is in the process of drafting a sunset law which will be limited to review of regulatory agencies only. This sharply contrasts with a bill passed by the 1976 session which was ultimately vetoed by the Governor which would have affected all state agencies on a systematic schedule. The legislature evidently has now backed off that approach.

TEN-YEAR CAPITAL PROGRAM, 1977-1987. The board was requested to approve the submittal of a ten-year capital program totaling \$159,715,000 to the 1977 legislature and request that the General Assembly adopt this ten-year program as prelude to authorizing additional academic bonding authority for Board of Regents' universities.

The Board Office and the Regents' universities presented a ten-year capital program totaling \$159,715,000 to the board. The program came to the board after a great deal of interinstitutional discussion and after the agreement was reached that the \$159.7 million level represents an appropriate level for inclusion in a ten-year building program. The Board Office noted that the institutions initially submitted projects which would have brought forth a \$260 million program.

Material presented the board displayed a difference in the method of presentation between the Board Office recommendation and that of the Regents' universities. The Board Office's recommendation follows:

1977-1987  
(\$000's)

(BOARD OFFICE RECOMMENDATION)

	1977-79 Capital Askings	1979-87 Program (4 Biennia)	Total 1977-87 Program (5 Biennia)
<u>University of Iowa</u>			
New Buildings	\$ 6,200	\$ 11,120 <sup>1</sup>	\$ 17,320 <sup>2</sup>
Movable Equipment	565	1,170	1,735
Remodeling	2,410	16,360	18,770
Utility Needs	2,800	10,000 <sup>2</sup>	12,800
Special Projects	<u>1,200</u>	<u>5,000</u>	<u>6,200</u>
TOTAL	\$13,175	\$ 43,650	\$ 56,825
<u>Iowa State University</u>			
New Buildings	\$12,280	\$ 16,265	\$ 28,545
Movable Equipment	325	2,525	2,850
Remodeling	6,640	10,780	17,420
Utility Needs	3,565	10,000	13,565
Special Projects	<u>---</u>	<u>5,000</u>	<u>5,000</u>
TOTAL	\$22,810	\$ 44,570	\$ 67,380
<u>University of Northern Iowa</u>			
New Buildings	\$ 4,105	\$ 7,680	\$ 11,785
Movable Equipment	---	1,180	1,180
Remodeling	250	5,965	6,215
Utility Needs	8,005	4,000	12,005
Special Projects	<u>300</u>	<u>4,025</u>	<u>4,325</u>
TOTAL	\$12,660	\$ 22,850	\$ 35,510
<u>SUMMARY</u>			
New Buildings	\$22,585	\$ 35,065	\$ 57,650
Movable Equipment	890	4,875	5,765
Remodeling	9,300	33,105	42,405
Utility Needs	14,370	24,000	38,370
Special Projects	<u>1,500</u>	<u>14,025</u>	<u>15,525</u>
TOTAL	\$48,645	\$111,070	\$159,715

<sup>1</sup> This figure does not provide for the relief of severe space problems in the Law Center. A study is presently underway to determine the most feasible means to meet those needs -- either an addition, if site conditions permit, or a new facility. Some type of major project is expected for consideration by the board for the 1979-81 request and will be additive dollarwise to the program thereafter.

<sup>2</sup> Does not include any costs required for Statewide Health Services as both new construction and all costs associated therewith including all utility costs are expected to be assumed from different funding sources than direct appropriations and/or academic revenue bonds.

1977-1987  
(\$000's)

(INSTITUTIONAL RECOMMENDATION)

	1977-79 Capital Askings	1979-87 Program (4 Biennia)	Total 1977-87 Program (5 Biennia)	Needs Identified by Institutions but not Part of Program
<u>University of Iowa</u>				
New Buildings	\$ 6,200	\$ 11,120 <sup>1</sup>	\$ 17,320 <sup>2</sup>	\$ 27,715
Movable Equipment	565	1,170	1,735	2,510
Remodeling	2,410	16,360	18,770	18,770
Utility Needs	2,800	10,000 <sup>2</sup>	12,800	22,250
Special Projects	<u>1,200</u>	<u>5,000</u>	<u>6,200</u>	<u>        </u>
TOTAL	\$13,175	\$ 43,650	\$ 56,825	\$ 71,245
<u>Iowa State University</u>				
New Buildings	\$12,280	\$ 16,265	\$ 28,545	\$ 10,600
Movable Equipment	325	2,525	2,850	1,060
Remodeling	6,640	10,780	17,420	26,384
Utility Needs	3,565	10,000	13,565	2,000
Special Projects	<u>---</u>	<u>5,000</u>	<u>5,000</u>	<u>        </u>
TOTAL	\$22,810	\$ 44,570	\$ 67,380	\$ 40,044
<u>University of Northern Iowa</u>				
New Buildings	\$ 4,105	\$ 7,680	\$ 11,785	\$ 10,120
Movable Equipment	---	1,180	1,180	1,000
Remodeling	250	5,965	6,215	6,215
Utility Needs	8,005	4,000	12,005	850
Special Projects	<u>300</u>	<u>4,025</u>	<u>4,325</u>	<u>        </u>
TOTAL	\$12,660	\$ 22,850	\$ 35,510	\$ 18,185
<u>SUMMARY</u>				
New Buildings	\$22,585	\$ 35,065	\$ 57,650	\$ 48,435
Movable Equipment	890	4,875	5,765	4,570
Remodeling	9,300	33,105	42,405	51,369 <sup>3</sup>
Utility Needs	14,370	24,000	38,370	25,100 <sup>4</sup>
Special Projects	<u>1,500</u>	<u>14,025</u>	<u>15,525</u>	<u>        </u>
TOTAL	\$48,645	\$111,070	\$159,715	\$129,474

<sup>1</sup> This figure does not provide for the relief of severe space problems in the Law Center. A study is presently underway to determine the most feasible means to meet those needs -- either an addition, if site conditions permit, or a new facility. Some type of major project is expected for consideration by the board in the 1979-81 request and will be additive dollarwise to the program thereafter.

<sup>2</sup> Does not include any costs required for Statewide Health Services as both new construction and all costs associated therewith including all utility costs are expected to be assumed from different funding sources than direct appropriations and/or academic revenue bonds.

<sup>3</sup> A total of \$42,405 of these funds is expected to be requested under the Life-of-Building formula from operating RR&A.

<sup>4</sup> Represents approximate need shown by Physical Plant directors for ten years which could not be met within constraint placed on utilities.

The Board Office reported that the increase of approximately \$9 million over the 1976-86 program can be justified from the standpoint of inflation alone or it can be justified on the basis that the 1975-77 biennium saw appropriations made for approximately \$9 million less than had been the biennial average for each of the past four biennia, in which case that \$9 million shortfall has been added into the 1977-79 askings to reflect the urgent unmet needs of the institutions. Thereafter, from 1979-87 the biennial level of request is returned to the approximate \$25 million level per biennium.

Secondly, it was noted that the legislature will have to specifically approve this program this year because of the board's request for academic revenue bonding authority for utilities. The legislature has never been willing to approve a ten-year program in excess of \$100,000,000. It is believed that a strong case can be made for increasing that \$100,000,000 level to \$160,000,000 because of inflation since the last time the legislature approved a program was in 1972. The need for legislative approval became a critical restraint on the dollar amount of this ten-year program in that the Board Office considers it extremely critical that the utility needs be considered separately under academic revenue bonding so that the board can receive maximum direct appropriations for more academically-related capital needs of the institutions. If such were not the case and utilities had to be considered along with the other academically-related needs of the institutions, it is highly likely that the total amount appropriated would be disproportionately turned to meeting those very urgent utility needs, and in particular, the coal-fired boiler at the University of Northern Iowa.

The Board Office reported that the factors in the program are as follows:

1. New Buildings

A total of five new structures is involved in the 1979-1987 period. Three of the five are for Iowa State University with one each to the University of Iowa and the University of Northern Iowa. Those two latter buildings cannot be justified solely from the current model results, but should be viewed primarily as replacement space for non-convertible type functions. The Board Office understanding in including the physical education center completion for the University of Northern Iowa, for example, was such completion would mean discontinuance or razing of both the existing men's and women's gyms on that campus. The Old Armory project at the University of Iowa, as the board was aware, is intended to house the video education program as well as to provide expanded theatre functions. Iowa State University, under the program inputs, would be able to meet its library needs through completion of a second addition and to meet easily demonstratable model needs through construction of two additional buildings.

The Board Office said the board will be given a thorough report on the model results which were used in its recommendations on the capital askings as well as new buildings on this ten-year building program at its February meeting. The Board Office does not intend to run model data based upon fall, 1976 enrollments at this time but will resume that activity in time to utilize data for the 1979-81 askings of the Board of Regents.

## 2. Movable Equipment

The Board Office stated that movable equipment was generated on the basis of either an actual request in the case of the 1977-79 capital askings or on the basis of 10% of the cost of construction for those new buildings contained in the 1979-87 portion of the program. This 10% formula was used only for planning purposes in that the actual amount needed for equipping a new building is determined strictly on the basis of an inventory of the existing equipment for a particular department which could be used to cut back on the amount of new equipment required for a department housed in new space. In other words, equipment needs for new structures have to be determined after construction of a building has been funded and after taking into account the condition of the existing equipment for the department moving into the new space.

## 3. Remodeling

The total 1977-87 program brings into play an adjusted life-of-building formula. This has three factors:

- a. The amount of space which an institution is maintaining as of July 1, 1976, times the 1977-78 askings for that space at 22¢ per square foot.
- b. The space which an institution will be maintaining as of July 1, 1977 times 31¢ per square foot for the 1978-79 year.
- c. The 1977-78 base times 40¢ per square foot which represents full implementation of the life-of-building formula for the 1979-80 year and each year thereafter.

The Board Office went on to report that the ten years are then totaled to give a total institutional entitlement for life-of-building capital funds for the ten years. From that amount is subtracted the actual request for remodeling for 1977-79 and the resultant figure is the amount which an institution can plan on spending for the 1979-87 period. This, in effect, creates a planning procedure for capital remodeling funds where theoretically the institutions would be free to ask for as much or as little in each biennia within the four biennia comprising the period. This planning approach based upon the life-of-building formula assures that each institution will receive its fair share of remodeling funds hereafter and that like in new buildings, there will now be a good measure of determining the needs of the institutions for funds based upon a set of standard criteria.

## 4. Utility Needs

The utility needs were based upon the presentations made by the physical plant directors except that those presentations are constrained to the extent necessary to insure that utility needs do not dominate future capital requests of the institutions to any greater degree than is necessary to meet ongoing utility requirements of the institutions. Each biennial asking will, of course, have to include utility needs on a maintenance basis and in some cases an expansion basis, but there does not appear at this time to be any major utility-type projects in the institutional lists during the period 1979-87. "Major" was defined to mean the additions of boilers, generators, etc.

The board's attention was specifically called to the initiation of a somewhat different approach for displaying utility needs of the institutions which was suggested by Iowa State University and which was utilized to a certain extent in its utility lists for the 1979-87 period. The formula tries to place utilities on a formula basis similar to that used by public utilities. The formula basis is the application of a reasonable depreciation rate and is recognition that plant repairs and alterations are required as the components of the plant ages. Public utilities do have all or the vast majority of their equipment on a depreciation schedule and the cost of replacement of that equipment is part of the rate structure of a public utility. The Board of Regents operates very large plants at three locations and have to, on the other hand, go into each session of the legislature and make special pleadings for utility repairs and alterations which often get mixed up with more academically-related needs of the institutions. Those alterations would be specifically identified on a biennial basis when the capital askings are prepared.

The second item of a general nature was an amount for system expansion for new and renovated buildings which was based upon the expansion of the distribution system to serve buildings requested within the ten-year building program for the university. It was noted that this entire approach is subject to further study and each element will be carefully analyzed for applicability to future capital requests of the Board of Regents. It was anticipated that this work can be accomplished within the next year. It was hoped that ultimately some approach can be found which will allow the funding of general systems repairs and alterations to occur on a routine and recurring basis rather than getting such needs intertwined with academically-related needs of the institutions.

##### 5. Special Projects

The current askings for 1977-79 include two projects. The 1979-87 period includes an undefined project or projects totaling \$5 million each for the University of Iowa and Iowa State University and the \$4,025,000 classroom building for the business school at the University of Northern Iowa which was requested under a federal grant. The \$10 million insertion for Iowa State and the University of Iowa was recognition that it is virtually impossible to plan or foresee all capital needs that will be forthcoming for a ten-year period. This amount which could be viewed as a contingency amount provides the institutions some degree of flexibility to meet those emergency needs which cannot be foreseen at this time. There has been a great deal of interinstitutional discussion as to what these contingency funds could or could not be used for. The Board Office felt that these funds would not be used for new buildings, utilities or remodeling as the latter violates the life-of-building formula. It could be used for overage on movable equipment projects, such as an instance whereby library equipment needs go well beyond a 10% formula application or for extraordinary equipment needs not met by operating funds such as equipping a remodeled building as in the case of the Quadrangle at Iowa State. It could be used to raze buildings for which operating funds are insufficient or a host of other-type projects such as campus walkways, street lighting, elevator maintenance, advanced planning or energy conservation, none of which are directly related to any of the other factors in the program.

The Board Office recommended that none of the \$5 million be shown as a program amount for a specific project as that would defeat, in part, the concept.

Several other points were noted, as they directly affect the concept of the 1977-87 program:

First, the figure does not include any funds to relieve the severe space problems in the Law Center. Second, the program does not include any costs required for state-wide health services, which could be considerable, especially when utility costs directly connected with such health services are made a responsibility of that particular funding source as the Board Office believes they should be.

It was reemphasized that the total program of \$159.7 million does represent some constraint from the level of needs which the institutions feel they have now and will continue to have under the program as now constructed. The institutions have identified needs additionally beyond what is in the program in the amount of \$129.5 million. These needs are listed throughout each institutional program. There has been little or no attempt made to make these identified lists comparable among the institutions, as it was the Board Office recommendation that these programs not be shown in the formally submitted ten-year program. The legislature will be requested, per statute, to adopt a ten-year building program. The statute does not provide for adoption by the legislature of a further listing of institutional needs beyond that ten-year period. That listing submitted by the institutions should be viewed internally by the board as the institutional statements showing that their full needs are not provided even if the ten-year program is fully funded within that time frame. As with the 1979-87 program, the board is not committing itself to any specific projects or to any specific priorities on an interinstitutional basis with adoption of this ten-year building program. Needs will continue to come to the board on a project by project basis in the normal biennial capital asking sequence.

Mr. Richey commented that the most significant points in this ten-year program were that it shows that increased emphasis will be placed on remodeling existing facilities and that the institutions have virtually the same emphasis on the number of new buildings required over the next ten years to house existing programs.

Vice President Moore agreed with Mr. Richey that the board needs to have a ten-year capital program approved and submitted promptly to the legislature. He noted that the Board Office has had a difficult time working this out because the needs of the institutions are considerably higher than some figure the legislature could be expected to approve. He commended Mr. McMurray on the hard job he had in dealing with three universities when dealing with a limited amount of funding available. In view of that, however, Vice President Moore requested the board have more of an opportunity to view the institutional requests themselves and give more visibility to the institutional needs.



Vice President Moore said that one of the approaches used in terms of calculating equipment needs for new buildings was that whenever new space is requested and supported by the Regents and approved by the legislature, that building will be equipped with movable and fixed equipment at a level agreed upon. That funding will be provided for equipment usually in the legislative session following approval of the building. Vice President Moore said, however, that remodeled space in cases of major renovation would not be equipped according to the same concept as for new buildings. He reported that committee members are now discussing whether or not the Quadrangle's remodeled space should be provided with equipment money using the same formula as is used for equipping new buildings. Vice President Moore said the guideline to be used will affect decisions as to whether a building should be torn down, remodeled, or rebuilt. He commented that another approach that's been used is once you have decided to remodel space that the number of square feet to be remodeled would be determined by the life-of-building approach formula. That approach is used to develop the RR&A asking and is favorably accepted by the State Comptroller.

President Parks said the institutions should not be penalized by not getting new equipment for remodeled space when, in effect, new equipment would be obtainable if the institutions went the new construction route.

Speaking to the ten-year capital report as a whole, Regent Bailey said he felt the Board Office recommendation seemed very realistic and added he felt he could support it on the basis of inflation.

Regent Bailey asked for the names of the five new structures involved in the 1979-87 period as recommended by the Board Office. Mr. McMurray responded: Old Armory Replacement, \$11,680,000, University of Iowa; Library Addition, Phase II, \$6,100,000, Iowa State University; Mechanical Engineering and Engineering Science and Mechanics, \$5,375,000, Iowa State University; Agronomy Addition, \$4,900,000, Iowa State University; Physical Education Center Completion, \$7,680,000, University of Northern Iowa.

Regent Collison asked if demolition of old buildings is considered at the same time as remodeling of buildings is considered. Mr. McMurray responded that matter was not included in the ten-year capital program as such. He added that there will be discussion of that point at the February meeting of the board as it is an integral part of the model presentation.

Regent Shaw noted that it is surprising how little you can get for your money, but when you analyze this program, there is roughly \$160 million over a ten-year period with almost \$50 million of that amount being requested for the next two years. That leaves something like \$110 million over an eight-year period. This program only includes five new buildings and five buildings in a complex such as the board has over an eight-year period doesn't seem to be very many. While \$110 million is a lot of money, if the board looked at some other things, his firm is involved with a relatively small utility budget but over a five-year period it has a capital budget of \$566 million. Regent Shaw estimated that if we went back ten years, that \$566 million would have translated to \$125 million to do roughly the same thing.

Regent Shaw particularly mentioned that there were references to the Law Center matter and as time goes on the board will have more specific proposals on this question. He said that if the board only had \$11.5 million for new buildings at the University of Iowa, he would have to look pretty hard at what would go into the so-called "arts area." He noted there is no question of the importance of that area and it is one of the great strengths of the university, but the board has spent a great deal of money on arts. It may be that very little of it is public money. He also stated that the Old Armory situation would convince anyone that something "has to give" in that area. However, the board might be vulnerable if it spent \$11.5 million on that as the sole new construction project over the next eight years at the University of Iowa.

President Petersen said she felt there is a general concern of the board, that has been mentioned by the institutions, that the real needs of the institutions are not totally included in this ten-year program. She stressed that it should be understood that this was not a request for funding and that the request for funding comes biennium by biennium and that this is, instead, a general review pegged at a reasonable amount. If the board stated all the real needs of the institutions, it might jeopardize its bonding and, therefore, not receive it.

President Boyd commented that he did not know if he understood what Regent Shaw was suggesting but he got the impression that possibly if it were the university administration's judgment that needs were greater in the arts area, it might be necessary for the board to make a different judgment. Regent Shaw responded that he did not rule that out, but was not prepared to make that statement today.

President Boyd stressed that the only time he knew of such a position being taken by the board was with respect to the current law facility and he does not want to face that kind of crisis on this board.

Regent Shaw commented that when he looked at the Hancher Auditorium, the Music Building, the art galleries, etc. he believes that the university is extremely strong in the arts area. He expressed concern, on the other hand, when he looks at the law facilities. At some point in time one has to make a judgment.

President Boyd commented that there is no question but that the board has a very serious problem with the Armory facility and he defied anyone to find a poorer facility on the university campus. While there is certainly a strong need for law school facilities, the Armory is in much worse shape than the Law School.

The discussion was concluded by President Boyd stating that the board should look at where the money has gone for buildings on the university's campus. Arts and sciences people are most apprehensive because most of university funds have gone to the professional colleges. Arts and sciences can make a strong case that they ought to share more equally in the capital funding of the university. President Petersen stated that the question of a Law School facility would be discussed again at a later date.

MOTION:

Mr. Bailey moved the board approve the submittal of a ten-year capital program totaling \$159,715,000 to the 1977 legislature and request that the General Assembly adopt this ten-year program as prelude to authorizing additional academic bonding authority for Board of Regents' universities. Mr. Slife seconded the motion and it passed unanimously.

REPORT ON FUEL AND PURCHASED ELECTRICITY. The board was presented a report on fuel and purchased electricity to inform it of revised expenditure estimates and the likelihood of an additional appropriation request according to the "pass-through" concept. The Board Office reported that the appropriation (1976-77) for fuel and purchased electricity allows application of any savings from fuel expenditures toward other critical needs thereby serving as an incentive to conserve energy. A separate report on energy conservation will be prepared for February.

Mr. Richey noted that the revised estimate as of November of 1976 for 1976-77 showed a 19.9% change in BTU consumption of which 1.8% was due to opening new buildings at the State University of Iowa. Iowa State University showed an 11.2% change in BTU consumption for the same time period with 10.3% due to opening new buildings. The University of Northern Iowa showed a 9.4% change in expenditure compared to 1.0% of that due to opening new buildings for 1976-77. Mr. Richey asked for clarification regarding the State University of Iowa's high percentage change in BTU consumption. Vice President Jennings said that the numbers before the board showed what has been paid for. There is a cash flow evaluation contrasted to fuel that went to the boilers. It was indicated that there was a 31% increase in the University of Iowa's fuel consumption but the actual fuel going into the boiler increased by 18% over that period of time. Mr. Richey said the board needs to have fuel consumption figures on the same basis for the three institutions.

In absence of objections, President Petersen accepted the report on fuel and purchased electricity for the board and noted that the board will be reviewing it again along with the energy conservation report in February.

FARM LEASES. The board was presented a detailed analysis of the leasing arrangements for farm land at the Regents institutions. The Board Office reported that in all, there are seven farm leases which are divided among the institutions as follows: four at the University of Northern Iowa, two at the State University of Iowa and one at the Iowa School for the Deaf.

The Board Office reported that the board approved on an annual basis the leasing of farm land held by the Regents institutions. This has been accepted practice for periods of time varying with the institutional ownership of the respective parcels of farm land. Attention recently has been focused on the farm leases for several reasons. Primarily, there has been concern expressed about the amount of rent charged or earnings received under the leasing arrangements. Also, there has been interest in the way in which the leases are entered into between the lessee and the institutions.

The farm land that is owned by the institutions was acquired for educational purposes involving food production or future expansion. When institutional expansion requiring the land is unlikely to take place in the immediate future, leasing of the land for farming is an appropriate temporary practice.

The Regents' institutions currently follow a negotiated farm leasing procedure for determining annual farm leasing arrangements. The per acre rent to be charged at the University of Northern Iowa for the farm leases is determined by discussion with local real estate brokers on farm land values and corresponding rental rates. The rent to be charged is discussed with the current renters to determine whether they wish to continue the lease. The exception to this policy at the University of Northern Iowa is the 63.5 acres which are rented at the rate specified as a condition of the purchase contract. The share-crop leasing arrangements at the State University of Iowa and the Iowa School for the Deaf involve an even sharing of the expense and income derived from the farm operations.

Regent Bailey asked if the State University of Iowa's income is as high as it ought to be. Vice President Jennings said he realized Regent Bailey's concern and noted that the 4% return for the university is somewhat lower than the return rate for the other two institutions. He added that he's been told, however, that that rate is very typical in and around the Iowa City area.

More detailed information regarding farm leases is on file at the Board Office.

RENEWAL OF INSURANCE LIABILITY COVERAGE FOR ERRORS AND OMISSIONS. The board was presented the following recommendations: 1) that the board seek legislation to amend the State Tort Claims Act in order to include the right to defense and indemnification in claims arising under the constitutions, statutes, or rules of the United States or any state; 2) that the board authorize the ad hoc insurance committee to seek private insurance coverage in regard to the question raised in item #1 above; 3) that the board authorize the ad hoc insurance committee to extend the period for filing claims under the present policy for at least 12 months at a cost not to exceed \$2,000.

The Board Office reported that the Attorney General's opinion of December 29, 1976 concludes that the State Tort Claims Act generally provides comprehensive liability coverage for board members, institutional heads and officers, and employees under the Regents' system. The opinion

pointed out two areas of concern which justified the board's seeking continued errors and omissions coverage:

1. The State Tort Claims Act is not clear regarding coverage for actions arising under federal statutes or regulations. The opinion states that there is some ambiguity as to the acts coverage for claims arising under federal or state statutes or regulations other than 42 U.S.C. § 1983. The board should consider proposing an amendment which would clarify the act on this point.
2. The Attorney General has concluded that the State Tort Claims are not retroactive. Liability coverage, therefore, should be sought in order to protect and indemnify board members, institutional heads and officers and all employees against potential claims which have not as yet been filed but which are based upon acts taking place prior to July 1, 1975.

The Board Office pointed out that a 12 month extension period for filing claims under the present policy should suffice to protect against any such claims until after the statute of limitations has expired.

The board was requested to comment upon an amendment presented it by Mr. Randall Bezanson, Assistant to the President, University of Iowa to:

1. Repeal Ch. 25A.21-.22 as now written.
2. Replace them with a new provision which would read:

25A.21 OFFICERS AND EMPLOYEES DEFENDED AND INDEMNIFIED.  
The state shall defend and, except in cases of malfeasance in office or willful and wanton conduct, shall indemnify and hold harmless any employee of the state against any claim as defined in section twenty-five A point two (25A.2), subsection five (5), paragraph b, of the Code, which includes claims arising under the constitutions, statutes, or rules of the United any state.

This amendment is designed to clarify the previous language in sections 25A.21 and 25A.22, and therefore should be given retroactive effect to and including July 1, 1976, when the original language became effective.

Mr. Richey commended the Attorney General's office and specifically John Beamer, Special Assistant Attorney General, for the promptness and responsiveness to the questions raised by the Board Office.

Regent Bailey commented on the language of the Attorney General's opinion and asked if it included contract liability as well as tort liability. Mr. Bezanson noted that the opinion referred to coverage for all matters that constituted a breach of contract. Interference of contract rights would be included. Tort claims, however, would not be. Mr. Bezanson said the likelihood of any individual being held liable under any contract is very remote. That liability would rest in the state. He added that is not a matter of concern here. The Iowa Code would have to make restitution for any breach of contract entered into by the Board of Regents. A breach of contract of an employment contract involving the firing of someone for an improper reason would be a claim against the individual which rests under

the Tort Claims Act. Regent Bailey said he feels the distinction is hard to define. He was unsure how a case, with reference to a building contract in which it was held that some error in division had been made, would be handled. He inquired as to whether the board would be held liable if board members were named and sued as individuals. Mr. Bezanson responded it would depend how board members would be sued. If they were sued for breaching a contract, no cause of action would lie against board members. If sued for having been negligent, that would be in the area of errors and omissions resulting in damage to property or to an individual. Regent Bailey said he was bothered because he wasn't sure that there aren't situations where the board can be sued as individuals on the basis of contract as opposed to tort. Mr. Bezanson said he has looked into that matter and it is true that there is no insurance for contract liability. Mr. Bezanson stressed that no contract claim not covered by the Tort Claims Act can be brought against a Regent of a Regents employee in his or her individual capacity.

Regent Bailey asked about common law. Mr. Bezanson commented that common law is already covered by the definition of claim in the act. He noted that the last clause was necessary because of poor drafting of the prior one. He noted that he has gone to some length to see that the claim includes all actions based on the constitution, statutes, or rules.

President Kamerick asked about malfeasant conduct and indemnification in such case. He asked if the Attorney General's Office would defend if it was convinced the conduct was willfully done. Mr. Bezanson said the Attorney General has the discretion to decide in those cases. He added, however, that it was noteworthy that the Attorney General does say that even in cases involving willfulness the state is not foreclosed from paying punitive damages on the basis of willful conduct.

President Kamerick said he feels there is still an element of judgment involved regarding indemnification and defense. Some of the insurance contracts did not have that element of judgment in them. Mr. Bezanson reported that it was specifically noted that insurance will be paid on insurance contracts where willfulness was established. The insurance carrier would not pay under the policy.

Regent Shaw commented he feels that the board may be trying to get a little too much protection for itself and everyone around it. He added that when people start acting without any regard to their conduct, they are going to do some damage to other people. He commented that it was not always possible to recover losses in dollars. He noted that if complete indemnification is available, the law of justice is destroyed. He emphasized that the board should not overreach.

MOTION:

Mr. Slife moved the board: 1) seek legislation to amend the State Tort Claims Act in order to include the right to defense and indemnification in claims arising under the constitutions, statutes, or rules of the United States or any state; 2) authorize the ad hoc insurance committee to seek private insurance coverage in regard to item no. 1 above; and 3) authorize the ad hoc insurance committee to extend the period for filing claims under the present policy for at least 12 months. Mr. Zumbach seconded the motion.

Mr. Bezanson noted that if an extension of the period for filing claims under the present policy went over 12 months, it would be possible that the cost would exceed \$2,000. For clarification, Assistant Vice President Madden said that item no. 3 involves the North River Insurance policy. Mr. Bezanson reported that under the Aetna policy if someone files a suit four years from now on the basis of what happened four years ago, they would be covered. The problem with the errors and omissions policy is that it covers only matters of current claims. Mr. Bezanson went on to say that the Aetna policy basically applies to personal injury, bodily injury and property damage.

VOTE ON MOTION:                      The motion passed unanimously.

ASSOCIATION OF GOVERNING BOARDS CONFERENCE. The board's attention was called to the 1977 National Conference on Trusteeship which will be in Williamsburg, Virginia, March 13-15. President Petersen said she hoped there will be board representatives at this conference. Board members were requested to inform Mrs. Mininger if they could attend.

Mr. Barak reminded the board that it agreed to participate in the AGB self-study survey. He reported that the survey forms will be mailed out to board members in the next day or two.

EXECUTIVE SESSION. President Petersen reported there were several matters to be discussed in executive session: a personnel matter at the University of Northern Iowa, a personnel matter at the Iowa School for the Deaf, a personnel matter at Iowa State University, and a personnel matter at the State University of Iowa. She added that while the board had no need to discuss strategy for collective bargaining today, she requested that the board's vote to enter executive session include approval to enter into executive session to discuss collective bargaining strategy between this meeting and the February board meeting.

On roll call vote as to whether to enter into executive session, the following voted:

AYE: Bailey, Baldrige, Collison, Shaw, Slife, Zumbach, Petersen.

NAY: None.

ABSENT: Barber, Brownlee.

The board, having voted in the affirmative by at least a two-thirds majority, resolved to meet in executive session beginning at 4:15 p.m. and recessed at 5:45 p.m. to reconvene at a later date.

The following business pertaining to general or miscellaneous items was transacted on Friday, January 14, 1977.

BOARD OFFICE PERSONNEL REGISTER. The board was requested to approve the Board Office Personnel Register which included the following transactions:

Ratification of appointment made by telephone conference call of December 14, 1976:

Robert Grant, Director of Regents Employment Relations, effective December 14, 1976 at \$32,500 annually plus usual fringes and moving expenses.

Merit Increases:

Evelyn Cardamon, Secretary III, \$11,700 to \$12,272 after annual merit evaluation, effective December 24, 1976.

Bonnie Fagerstrom, Secretary II, \$8,112 to \$8,476 and permanent status after annual merit evaluation, effective December 24, 1976.

MOTION: Mr. Slife moved the Board Office Personnel Register for December 1976 be approved including ratification of Robert Grant's appointment. Mr. Bailey seconded the motion and it passed unanimously.

NEXT MEETINGS.

February 17-18	Iowa State University	Ames
March 17-18	Des Moines	Des Moines
*April 20-21	University of Northern Iowa and Iowa Braille and Sight Saving School	Cedar Falls Vinton
May 19-20	Iowa State University	Ames
June 16-17 or 23-24	University of Iowa	Iowa City
July 21-22 or 28-29	University of Northern Iowa	Cedar Falls

\*Note: Meeting Scheduled for Wednesday and Thursday.

ANNUAL REPORT OF IOWA STATE UNIVERSITY FOUNDATION. The board was presented a copy of the annual report of the Iowa State University Foundation for the calendar year 1976. The Board Office reported that the foundation, during the year 1976, increased its income by \$400,000 or almost 30% over what it had in 1975. Also, the foundation experienced an increase of \$500,000 over a year ago in the amount of irrevocable life income contracts which it administers. This represents an increase in excess of 45% over last year's figure.

President Petersen said she is proud to be the representative of the board on the Iowa State University Foundation.



January 13-14, 1977

In absence of objections, President Petersen accepted on behalf of the board the affiliated organization report and expressed appreciation for the support of the Iowa State University Foundation to Iowa State University.

COMPOSITION OF NEGOTIATION TEAM FOR COLLECTIVE BARGAINING. The board was requested to name the following individuals to be members of the Negotiating Team for Collective Bargaining Purposes with the organization representing the faculty at the University of Northern Iowa:

Mr. Lawrence Pope (Chief Spokesman)  
Mr. Robert Grant (Co-Spokesman)  
Dr. Richard Douglas  
Mr. Gary Shontz  
Vice President James Martin  
Dean Robert Morin  
Dr. Robert Barak (Observer)

President Petersen noted that the negotiating team would represent the Board of Regents and the University of Northern Iowa.

MOTION:

Mr. Baldrige moved the board name the above individuals to be members of the Negotiating Team for Collective Bargaining Purposes with the organization representing the faculty at the University of Northern Iowa. Mrs. Collison seconded the motion and it passed unanimously.

GOVERNOR'S BUDGET RECOMMENDATIONS. Mr. Richey reported that the Regents' budget for the current year is estimated by the board to be \$273.8 million of which \$178.6 million is state appropriations. The \$178.6 million includes about \$700,000 of federal fund losses for the current year that have not yet been allocated by the State Comptroller within the \$2.9 million made available by the legislature for that purpose last session for this year. The State Comptroller notified the Board Office some months ago that only \$2 million of that amount would be made available for the Board of Regents and the other \$900,000 would be held for use by other state agencies. Mr. Richey said the board is now \$700,000 short in terms of the current year's budget. Mr. Richey noted that the State Comptroller has taken those funds out of the board's starting base and the \$700,000 is not included either for this year, next year, or the second year of the biennium. With the State Comptroller taking out the \$700,000, the State Comptroller's Office used a starting base of \$177.8 million which presents a significant problem for the Board of Regents.

Mr. Richey said the recommendations of the Governor for next year do not include the state salary policy. That's being withheld until collective bargaining results are determined in terms of its impact on the overall

state salary policy. Mr. Richey reported that the total recommended budget for next year without the salary increases amounts to \$280.3 million. The recommended budget for non-salary items is 12% over the current year. Mr. Richey said that a 12% increase in other operating expenditures doesn't sound too bad. He noted that most of that is financed from increased tuition income. Mr. Richey commented that an added \$1.3 million of State University of Iowa overhead reimbursements is budgeted for expenditure by the Governor.

Mr. Richey stated that General Expense is up an average of 6% in the Governor's recommendation. He stressed that, however, is just an average as some of the units received much less than a 6% increase. For example, the Iowa School for the Deaf and the Iowa Braille and Sight Saving School received practically no General Expense increase. Mr. Richey reported that the fuel recommendation was increased by an average of 5.2%. That figure represented a \$1.2 million cut from the board's request for fuel. Equipment funding was recommended in the amount of an 18% to 20% increase. Mr. Richey noted that the Governor gave some recognition to the urgency of equipment needs. He reported that library books were recommended by the Governor on an average 9.4% increase instead of the 12% recommended by the board. Mr. Richey said that RR&A, on the average, was up about 16% to 17% for all the universities. He noted that the Governor realized the significant problem with RR&A funding as well as that for equipment.

Special needs were recommended at the \$3.2 million level which includes the \$1.2 million for opening the Carver Wing of the University Hospital of which about 72% is from hospital income. Mr. Richey reported that the Governor's recommendation for special needs consists of student aid increases because of the tuition rate increase and most of the money for opening new buildings. Forty-three thousand dollars was recommended for Oakdale Services; \$123,000 was recommended for the Price Laboratory School; \$500,000 was included for off-campus education for western Iowa and \$900,000 for family practice residency education programs; \$500,000 and \$300,000 were recommended for each year of the biennium, respectively, for the coal research project. The swine disease research project was continued with a \$70,000 recommendation.

On capital, the Governor recommended new bonding authority of \$14,430,000 to take care of utilities plus \$5.5 million in direct appropriations for construction of the second phase of the Lindquist Center. That amount is \$158,000 below the board's request and is also the only building recommended by the Governor. No planning funds for any additional buildings were recommended. Nine hundred and thirty five thousand dollars was recommended by the Governor for the handicapped accessibility program, which is what was submitted for Phase II of this state-wide program.

President Boyd noted that the board and its institutions are all very seriously affected by the Governor's recommendation. He added that all of us very much appreciate the Governor's difficulty in dealing with the fiscal problems facing the state over the next two years and we also recognize that the Governor has not yet made a recommendation concerning salaries for faculty and staff and, therefore, the budget recommendation will presumably be larger than the current recommendation. He said he is extremely worried about the Governor's recommendation, which, in the case of the State University of Iowa, is \$2.1 million less than the current year's appropriation for the general fund operating budget. This

reduction is to be offset by the tuition increase already set by the Regents for next fall coupled with the indirect cost reserve for one year. The Governor did not provide a recommendation for federal funds losses for next year for the University of Iowa. He suggested instead, reported President Boyd, that \$600,000 be reallocated to meet such needs as RR&A, general expense, etc. President Boyd said the university is functioning at a certain level which means it will have to reduce its current level by \$600,000. Particular concern was expressed by President Boyd with respect to the health colleges. His concern centered around the fact that not only are there no federal fund loss funds recommended by the Governor for next year, but it will cause an impact on the current appropriation to the extent of about \$600,000.

Mr. Richey reported that no other state agency had a request in for federal fund loss replacements last session. Mr. Richey said he thought \$2.9 million was appropriated with the understanding that it would be for regental losses but the language was actually broader in that it encompassed more than the Board of Regents.

The Governor's recommendation showed less than a 2% growth for the second year. The budget growth in the second year of the biennium, without salaries, averages an overall growth of 3.8%. Mr. Richey noted the growth was almost exclusively appropriations. He added that \$1.3 million of that is to pick up with state funds the State University of Iowa reserve monies used in the current year.

President Parks commented that there is sometimes the tendency to report gross figures with the implication that taxpayers are being taken for so many million more dollars. He explained that the approximate 12% increase in the operating budget for the Regents institutions is the amount of money derived from the increase in student fees and does not represent any increase in appropriated funds.

Mr. Richey said he understands that the Governor's treatment of the Board of Regents is more generous than the treatment given to most other state agencies, primarily because of the money the board has available from increased tuition income.

President Parks asked for clarification regarding the Governor's recommendation on cooperative extension. He said it appears that less is being appropriated for next year than for this year. Mr. Richey agreed that the recommended appropriation was less than this year.

Regent Shaw said the board should be careful in pointing out the similarity of figures with respect to the tuition increase and the amount of the general budget increase exclusive of salaries. He stressed that the board's tuition increases have been coming only every other year and this happens to be the "other" year. The impact is doubled in that sense. Secondly, he said it is implicit in what's been said that the board is not talking about salaries and he emphasized that salaries make up 70% of the total budget. President Parks said that base salaries are included in the budget recommended by the Governor but salary increases are not.

January 13-14, 1977

Mr. Richey reported that the Governor's budget recommendations did not include funding for the collective bargaining function in the Board Office. The Governor recommended that one position be funded by the institutions. The budget for the Board Office for this year is \$424,645 and for next year is \$426,811.

Vice President Stansbury commented with respect to the \$123,000 "addition" to the Price Laboratory School at the University of Northern Iowa. He clarified the phrase by saying the money should not be seen as an "addition" to the operation. It is simply a change in method in which the university received the money. Most of that money is now coming from deposits and restricted funds.

President Petersen said there will be a thorough analysis of the budget figures as they apply to the institutions and to the Board Office operation as soon as possible. She added that she feels it is very important for the institutions to analyze each of those as they apply to them individually.

GUIDELINES TO AVOID BEING SUED AS A REGENT. Regent Bailey said the board should give consideration to an article passed out at a recent Association of Governing Boards meeting entitled "Guidelines to Avoid Being Sued As A Regent." The article was written by Bruce Woodruff. He said the report made a number of suggestions on procedures and rules to put Regents in as favorable a position as possible to remain free from lawsuits. He recommended that this matter be pursued from a research standpoint by the Board Office with help from the institutions. Mr. Richey said that will be undertaken.

President Petersen asked board members and institutional executives if there were additional matters to be discussed pertaining to general or miscellaneous items. There were no additional items raised for discussion.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Friday, January 14, 1977.

MEDICAL RESEARCH CENTER - CARDIOVASCULAR RESEARCH ADDITION. The board was requested to: 1) hear a presentation on this project by Dr. John Eckstein, Professor, Medicine Administration, and Dr. Francois Abboud, Professor, Internal Medicine; 2) approve the project and the planning process; and 3) select a project architect, Durrant Deininger Dommer Kramer Gordon of Dubuque, Iowa, and approve an architect contract through the design development phase for a lump sum of \$30,000 plus reimbursable expenses.

The university reported that this project consists of the development of a Cardiovascular Research Center core facility through the construction of a two floor addition on top of the existing four-story Medical Research Center, built in 1957. Each floor will contain 9,625 gross square feet.

The addition will provide space for research laboratories, faculty and administrative offices, seminar rooms, library, and learning resource units. Such space is needed, in this location, to provide a center from which to facilitate the translation of new knowledge from scientific research into coordinated care for cardiovascular patients, to direct the training of an effective cardiac cadre for the future, and, through demonstration and continuing medical education, to influence the upgrading of cardiac care in surrounding areas. Centralization of core laboratories at this location will also enable the Cardiovascular Research Center to economize on facilities and equipment.

The new facility will be central to a wide range of cardiovascular activities now being carried out by some 70 faculty members in nine departments throughout the College of Medicine-University Hospitals complex, in the College of Liberal Arts, and in the College of Engineering. These activities include basic research, patient care, and education for physicians and public in the prevention and care of cardiovascular disorders. The university reported that its researchers have been awarded nearly \$15 million in grants to support this work in cardiovascular research and education during the next several years.

The university reported that due to the unique problems associated with construction on top of an existing facility and in a constrained site, it was proposed that architectural services be retained for the preparation of plans through the Design Development stage. This will permit detailed attention to be paid to development of a solution and budget which is responsive to these problems. Upon completion of this stage of planning, a preliminary plan and budget will be presented to the Regents for consideration.

The university expected that this project will be planned for an initial expenditure of approximately \$1 million with perhaps some new space to be completed only to the shell space stage. The project will be funded

with a combination of funds from the Pearson Trust Fund and a loan from the Treasurer's Temporary Investments account to be repaid in approximately ten years. The Pearson Trust Fund contained a balance of \$382,000 as of July 1, 1976, and its annual interest income approximates \$60,000.

Dr. Eckstein called the board's attention to the fact that the university has a long history of excellence and recognition in the cardiovascular area. He reported that about three years ago the Department of Health, Education and Welfare announced competition for the awarding of cardiovascular grants for cardiovascular supercenters. The University of Iowa went into a planning period at that time with the objective of seeking one of those large grants. The program was a result of Congressional authorization to develop ten such supercenters in the country. The National Health Institute was under pressure to go ahead and institute the competition before an appropriation was actually made. About 50 colleges of medicine entered into this competition for what was expected to be a large appropriation but when the competition was over there was no appropriation. The Health Institute had to do something so it gave nominal funding to one institution. Only two institutions were approved, one of which was the University of Iowa. Unfortunately, the University of Iowa was not the one to receive funding. He noted, however, that the university felt it had accomplished a great deal through those organized efforts led by Dr. Abboud.

Dr. Eckstein reported that Dr. Abboud and his colleagues went to work and started seeking supplements and consolidation of funding of grants the university already had after being told that funds would not be available for the university by the federal government. Those prior grants have been recently renewed and amount to about \$3 million a year so funding is assured for the next five years. He said that money gives the program substantial solidity.

Dr. Abboud stated that the purpose of the cardiovascular research addition is to create interdisciplinary effort in cardiovascular research. He said the university's Medical Research Center is an ideal place. It has basic scientists and clinicians who can apply research efforts in the environment of the medical center where research can be most efficiently applied. He said that in a large university such as the University of Iowa there are many different programs that can strengthen the cardiovascular centers and include some programs not directly related to medicine. The center works to identify the resources and use them effectively. He said the center provides an environment in which the university can train new scientists in more modern aspects of cardiovascular decisions.

**MOTION:**

Mr. Baldrige moved the board: 1) approve the project and the planning process and 2) select a project architect, Durrant Deininger Dommer Kramer Gordon of Dubuque, Iowa, and approve an architect contract through the design development phase for a lump sum of \$30,000 plus reimbursable expenses. Mr. Slife seconded the motion.

Mr. Richey asked how the operation of the 16,000 square foot addition to the Medical Research Center would be funded. Vice President Jennings said cardiovascular research funds would cover operating costs. He added that the College of Medicine is 78% funded by non-state monies.

VOTE ON MOTION:                   The motion passed unanimously.

HEALTH MANPOWER LEGISLATION AS IT RELATES TO THE MEDICAL SCHOOL. President Boyd commented that Regent Shaw wrote him about an aspect of the current health manpower legislation as it relates to the medical school. That particular aspect of the bill has received more attention than some other aspects of the bill which are equally worrisome to the institution. President Boyd said that on a whole, the bill is a good one. It was worked on by many people over a long period of time and is substantially better than what was originally proposed.

President Boyd said that the university has worked on the bill in a number of ways both through collegiate organizations and the university itself. He noted that the Regents' universities have been strongly against governmental intrusions into the curriculum process. There are a couple intrusions in the bill that are very worrisome to the University of Iowa. There have been a couple of statements made recently about institutions not taking medical capitation because of the provision that requires admission of a certain number of foreign medical graduates to United States medical schools in order to get capitation. To date, no institution has turned that money down.

President Boyd recommended that the board write the Congressional delegation with respect to the health manpower legislation. A draft copy of a proposed letter was circulated to the board. In essence, it expressed concern over one of the provisions in the Health Professions Educational Assistance Act of 1976. The provision specifically commented on requires medical schools which receive capitation funds to reserve places in their third-year classes for American citizens who wish to transfer from foreign medical schools. Concern, in part, was prompted by the growing federal intrusion into the academic policies and practices of the Regents' health programs. The letter protested not only the mandate regarding Americans in foreign medical schools, but also the mandates pertaining to health curricula in this Act.

Another portion of the letter expressed objection to the requirement that our medical schools admit Americans in foreign medical schools because it discriminates unfairly in favor of one group seeking admission into the university's medical program. The favoritism of a provision for one special group of medical applicants runs directly counter to the board's principle of equal opportunity.

Concern was also noted that the mandate regarding Americans in foreign medical schools was not a deliberated measure. It was a provision inserted into the bill in the last hours of a Senate-House conference without public debate.

The ending paragraph of the proposed letter stated that the educational quality of programs in Iowa's state universities depends very heavily on funds this act authorizes, and so the institutions are not able to refuse

these funds and maintain their current level of health education programs. It was noted that the provision described above was regarded as a critical flaw in a good bill and it was hoped that this provision will never appear again in a health manpower authorization.

**MOTION:** Mr. Shaw moved that the letter drafted by the University of Iowa be sent to the Congressional delegation by President Petersen. Mr. Zumbach seconded the motion.

Vice President Christensen reported that the letter with respect to health manpower legislation would also affect veterinary medicine at Iowa State University and he concurred with the letter's contents.

Regent Baldrige asked how many seats Iowa is supposed to reserve for foreign medical students. Dean Eckstein said there is not a definite number. He said foreign students are required to pass the examination of the National Board of Medical Examiners to pass Part I. An estimate was initially made that there may be from 300 to 500 students absorbed in American medical schools. He commented that no one really knows for sure how many foreign medical students would be eligible because organizations may spring up to develop cram courses so more students can pass Part I. Dean Eckstein said a quota will be assigned regarding the percentage or number of foreign medical students accepted by the secretary at each school. He added that some kind of list will have to be developed in the future. There will be some availability of colleges to screen students on the basis of criteria other than academic.

Dean Eckstein reported that once students pass the necessary examinations, they go through the training program and meet the requirements for temporary license. They then go through residency programs and if they complete enough training, they can proceed on to practice.

Regent Shaw said it would not be desirable or practical for the board to expand the number of seats in the medical school without some limit. He said we have more people wishing to take medical education than can be taken.

President Boyd noted that the health manpower legislation also relates to pharmacy and dentistry.

**VOICE ON MOTION:** The motion passed unanimously.

**REGISTER OF PERSONNEL CHANGES.** The board was requested to ratify the actions reported in the Register of Personnel Changes for the University of Iowa.

In absence of objections, President Petersen ratified the Register of Personnel Changes for the board.



APPOINTMENT. The board was requested to approve the following appointment:

Dr. Howard Laster as Dean of the College of Liberal Arts  
and Professor of Physics, at a salary of \$46,500, effective  
July 1, 1977.

President Boyd said he feels that the core of the University of Iowa lies in the arts and sciences. Vice President Brodbeck described the recruitment process the university went through in recommending Dr. Laster to this position. She emphasized that the university feels that Dr. Laster will bring a great deal to the College of Liberal Arts. Dr. Laster was then introduced to members of the board. President Boyd noted that Professor Laster will replace Dean Dewey B. Stuit who will retire on June 30, 1977.

MOTION:

Mr. Bailey moved the board approve the appointment of Dr. Howard Laster as Dean of the College of Liberal Arts and Professor of Physics, at a salary of \$46,500, effective July 1, 1977. Mr. Slife seconded the motion and it passed unanimously.

President Petersen welcomed Dr. Laster to the University of Iowa.

APPOINTMENT. The board was requested to approve the following appointment:

William S. Tynan, Jr., as Director of the Department of  
Security and Parking at an annual salary of \$24,000 effective  
on or about April 1, 1977.

President Boyd emphasized the importance of the position to which Mr. Tynan was recommended. Vice President Jennings noted the excellent work done by the search committee established for this position.

MOTION:

Mrs. Collison moved the board approve the appointment of William S. Tynan, Jr. as shown above. Mr. Zumbach seconded the motion and it passed unanimously.

NAME CHANGE - AMERICAN STUDIES. The board was requested to approve the change in name of the American Civilization Program to American Studies Program.

The university reported that this name change will bring the program at Iowa into agreement with nationally accepted nomenclature. Almost all similar programs in American colleges and universities are entitled "American Studies" as is the name of the scholarly organization which federates these programs (the University of Iowa is an institutional member of the American Studies Association).

MOTION:

Mr. Baldrige moved the board approve the change in name of the American Civilization Program to the American Studies Program. Mr. Bailey seconded the motion and it passed unanimously.

NAME CHANGES. The board was requested to approve the following changes in designations of units in the College of Dentistry: 1) the Division of Comprehensive Care to Department of Family Dentistry; 2) the Division of Preventive and Community Dentistry to the Department of Preventive and Community Dentistry; and 3) the Division of Endodontics to the Department of Endodontics.

The university reported that currently some academic units in the College of Dentistry are designated as "Divisions" and others as "Departments."

The university reported that this variation in name, however, does not reflect differences in structure or function among these units: both types function as academic departments. The requested changes will provide consistency of designation and thus clarify the nature of these units within the collegiate structure.

MOTION:

Mr. Slife moved the board approve the following changes in designations of units in the College of Dentistry: 1) The Division of Comprehensive Care to the Department of Family Dentistry; 2) The Division of Preventive and Community Dentistry to the Department of Preventive and Community Dentistry; 3) The Division of Endodontics to the Department of Endodontics. Mr. Zumbach seconded the motion and it passed unanimously.

PROPOSAL TO DISSOLVE THE DIVISION OF EDUCATIONAL RESOURCES - COLLEGE OF DENTISTRY. The board was requested to approve the University of Iowa's request to dissolve the Division of Educational Resources in the College of Dentistry.

The university reported that at one time the Division of Educational Resources had an academic program in health science career education which was funded by a federal training grant. Since that grant ended, elements of that program have been incorporated into other university programs. Thus, the division no longer has a curriculum or students. Its only present purpose is general support of other academic units of the college, primarily in the area of audio-visual educational materials. This function will continue to be carried out by non-faculty employees in a service unit related directly to the dean's office. The four faculty members involved will be appointed to other departments of the college. The university added that these appointments are reasonable and justifiable in relation to the areas of functioning of each faculty member and are acceptable to both the individuals and the departments involved.

MOTION:

Mrs. Collison moved the board approve the University of Iowa's proposal to dissolve the Division of Educational Resources in the College of Dentistry. Mr. Barber seconded the motion and it passed unanimously.

MEDICAL SERVICE PLAN. The board was requested to adopt the following resolution, amending the Medical Service Plan of the University of Iowa, as approved by the Board of Regents, revised July 1, 1967:

Delete the second sentence of the first paragraph of Section V, Compensation, as follows: "The administration of the Psychopathic Hospital should be changed to allow the clinical departments of the Psychopathic Hospital to function consistently with the other clinical departments of the College of Medicine."

A letter from Henry E. Hamilton, M.D., Secretary to the Faculty, to Dean Eckstein stated that this amendment will affect the incorporation of the Department of Psychiatry's Medical Service Plan into the Medical Service Plan of the College of Medicine, a circumstance which was foreseen at the time the plan was established in 1946. This action was initiated by a formal request from the faculty of the Department of Psychiatry.

Regent Collison remarked that she wanted Dr. George Winokur's remarks on this. He is the Head of the Psychiatric Hospital at the University of Iowa. Dr. Eckstein remarked that Dr. Winokur endorsed this amendment back in June. Regent Collison expressed her gratitude to persons involved in making this addition happen.

MOTION:

Mrs. Collison moved the board adopt the above resolution, amending the Medical Service Plan of the University of Iowa, as approved by the Board of Regents, revised July 1, 1967. Mr. Bailey seconded the motion and it passed unanimously.

PROPOSAL FOR ACADEMIC OPTIONAL STUDENT FEES. The board was requested to approve a proposal from the University of Iowa which would provide the mechanisms and guidelines for optional student fees relating to academic endeavors by student organizations.

The Board Office reported that in 1972 the board approved a proposal by the University of Iowa by which student organizations could receive voluntary student contributions in support of student organizations through the university billing system. This system has been used continuously since it was approved and few problems have arisen regarding the mechanism. However, since approval of the voluntary funding mechanism, there has been a reorganization of student government at the University of Iowa. The Student Association Senate, which is concerned primarily with extra-curricular affairs, continues to administer the voluntary student fees. These fees are now limited to a maximum of \$10 per semester. In addition to the Student Association Senate, there has been added a Collegiate 414

Association Council which is concerned primarily with administering academic endeavors of the Iowa Student Association. It was felt that the \$10 per semester fee, which currently is solicited, is not adequate to fund both the extracurricular and the academic activities of the Iowa Student Association. Therefore, it was proposed that a second category of voluntary student contributions collected through the university billing system be established. These contributions would be earmarked solely for academically related student activities.

The Board Office continued to state that as is the case with the present voluntary student fee, the proposed fee would be of the "opt-in" variety. This means that each student has to indicate that he or she wishes to contribute to the particular area. This proposal is just the opposite of the "opt-out" variety through which a student must indicate if he or she does not wish to make a contribution. The "opt-in" variety of voluntary student fees is designed to protect the student from being assessed a fee which the student inadvertently forgot to indicate was not desired.

In two memorandums presented to the board from Miss Benita Dilly, President of the University of Iowa Collegiate Association Council, it was reported that the present optional student fee structure was designed and created before the split in student government at the University of Iowa. After a semester of meetings and negotiations because the University of Iowa Student Association Senate and the University of Iowa Collegiate Association Council it became apparent that it would be best for all parties to solicit a totally separate academic optional student fee.

The memorandums went on to state that the proposed regulations are very similar to the ones that govern the U.I.S.A. Senate optional student fee and follow exactly the procedures used for collection, disbursement, etc.

Miss Dilly reported that each year the University of Iowa Collegiate Association Council receives more requests for funding of academic projects than it can grant. This proposal has been conceived as a mechanism to solve that pressure by giving the students at the University of Iowa the option of funding these worthwhile programs. The proposal has been endorsed by the University of Iowa Student Senate, Associated Residence Halls, the Daily Iowan, and the Student Governance Committee.

Regent Bailey commended Miss Dilly for the activity in this area and said he feels it is a move in the right direction.

Regent Collison said she is very interested that the Collegiate Association Council was proposing to set aside some funds for undergraduate research. She noted the fee would go to fund such areas as Travel Abroad Scholarships, Student Research Grants, Outstanding Instructor Awards, and Course Evaluations, to name just a few. Regent Collison asked if the students receiving the benefits of the above-named activities would be only those "opting-in." Miss Dilly said the benefits would not be restricted to those students contributing.

MOTION:

Mr. Bailey moved the board approve a proposal from the University of Iowa which would provide the mechanisms and guidelines for optional student fees relating to academic endeavors by student organizations. Mr. Slife seconded the motion and it passed unanimously.

A copy of the proposal is on file at the Board Office.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions had been received by him, was in order, and recommended approval.

The following construction contract awards were recommended for ratification. They were made by the executive secretary.

Roy J. Carver Pavilion - Neurology and Psychiatry Clinics, Second Floor Completion

Awards to: Stylecraft Metals, Des Moines, Iowa	\$ <u>2,325</u>
Watson-Mahaney, Inc., Hinsdale, Illinois	<u>2,667</u>
American Steel Products Corp., Farmingdale, New York	<u>7,467</u>
Warner Contractor Supplies, Minneapolis, Minnesota	<u>16,754</u>
Pearson Wall Systems, Inc., Cedar Rapids, Iowa	<u>99,720</u>
Allied Construction Services Inc., Davenport, Iowa	<u>42,468</u>
Rheinschmidt Contracting Company, Burlington, Iowa	<u>37,029</u>
The Model Painting Company, Cedar Rapids, Iowa	<u>20,745</u>
R. M. Boggs Company, Iowa City, Iowa	<u>10,250</u>
Forman Ford of Iowa, Des Moines, Iowa	<u>3,892</u>
Hamilton Industries, Two Rivers, Wisconsin	<u>9,512</u>
R. M. Boggs Company, Iowa City, Iowa	<u>222,000</u>
Gerard Electric Inc., Iowa City, Iowa	<u>78,772</u>

<u>Old Armory Fire Safety Improvements</u> Award to: Blackhawk Automatic Sprinklers, Inc., Waterloo, Iowa	<u>\$ 18,900</u>
<u>Hospital School - Air Conditioning System Renovation</u> Award to: George Kondora Plumbing and Heating, Iowa City, Iowa	<u>44,680</u>
<u>University Hospital - 6th Floor Operating Rooms and Supporting Facilities Remodeling</u> Award to: O. F. Paulson Construction Company, Cedar Rapids, Iowa	<u>582,800</u>

Mr. McMurray reported that in two of the bid packages on the Carver project award was made to other than the apparent low bidder. In the bid on toilet accessories the low bidder failed to submit his bid on the specified Form of Bid. In the award on folding partitions the low bidder qualified his bid in a number of unacceptable manners. Both the above bidders also failed to submit any Equal Opportunity data with their bids, although this in itself would not have disqualified the apparent low bidder. Awards were then made to R. M. Boggs, Co., Iowa City for toilet accessories in the amount of \$10,250 and Forman Ford of Iowa, Des Moines, Iowa for folding partitions in the amount of \$3,892 by the executive secretary.

The university recommended entering into a contract with Cost, Planning and Management International, Inc., Des Moines, Iowa, to provide project management services for the Lindquist Center -- Phase II project. In July, the board approved a contract with this firm to act as a construction manager during the planning activities on this project. Cost of those services were \$30,000 plus computer utilization time. That particular contract was to use construction management only during the planning phase. Services to be provided included establishment of a project schedule, formulation of a preliminary budget and cost control, establishment of management and coordination procedures and assistance in the preparation of architectural services specifications. In addition, CPMI offered a service which utilized a special purpose computer to assist with project programming design and a simulation of construction options from the point of view of building function.

The university now proposed to enter into a second contract with CPMI which would involve services in two phases. Phase II would, for a fixed fee of \$45,000, take construction management services up through the bidding process. Phase III, for a fixed fee of \$60,000, would continue construction management services through the life of the project including management of the coordination of the work, verification of contractors' labor and equipment to meet the schedule, reviewing and processing all applications for progress payments and supervision and management of full-time construction inspection.

The 1976 legislature appropriated \$300,000 to this project for planning purposes. The 1977 legislature has been requested to appropriate \$5,640,000 to complete the project with the exception of the movable equipment. These contracts at this point total \$355,000 plus reimbursables to the architect plus the use of computer time with the project manager. Any costs beyond the \$300,000 already made available would have to come

out of the appropriations made by the 1977 legislature. The university is well within the amount already available insofar as bringing the project up to the bidding stages. Phase III of the contracts with CPMI would only become effective once the project was actually bid. The Board Office recommended approval of the contract with CPMI.

Regent Bailey stated that he was concerned because the use of construction management, which had begun on this project in a small way and which had not constituted much of the project, now seems to be involving a large expenditure. He noted a discrepancy in that the Board Office indicated that the \$135,000 total does include management of full-time construction inspection while the university material indicated that that would be an addition to this amount. He went on to say that it appears that we are spending a lot of money for something that has been done in the past either by the architect or by the in-house architectural services of the respective university and which may not be necessary at all. With dollars coming as hard as they are and probably going to be coming harder, there is the question of whether these are legitimate, justifiable expenses. He called the board's attention to the \$45,000 expenditure in the Phase II contract, in particular, most of which seemed to be redoing, confirming, and reviewing what was done under the Phase I contract. He reiterated that he had grave reservations about an expansion of use of construction management.

President Petersen said that one of the things that concerns her and has concerned the board is that in these large and complicated projects there have been some disappointments in the past when the projects were completed. In an effort to avoid as many mistakes as possible, the board has encouraged the institutions to increase their supervision in some way on these major projects. President Petersen stated she felt the cheapest and best way is to utilize services of people who are experts in the area to try to avoid costly mistakes that we have had to go back later and correct. She reiterated that to her this contract represents a very minimal investment to try to protect the board from those types of mistakes.

Regent Bailey noted that there have been a lot of buildings constructed in the history of the nation without this service on the basis of architects doing the job. To put another layer of supervision and somebody else to "pass the buck to" in his judgment was something the board needed to look at. He added that he did not have any assurance that we are going to need somebody next time to supervise these people to be sure that they are doing their job. He also mentioned the status and questioned whether the in-house architect's office could provide these services just as well.

In response, Vice President Jennings noted that the inspection services would be a separate contract. He added that when the university interviewed architects for this project, it discussed with them its plans for a design team. The firm of Skidmore, Owings and Merrill was selected. The \$220,000 fee that was negotiated with them would have been \$350,000 with the architect providing all the services on this project. Further, Skidmore, Owings and Merrill, in their interview, recommended to the University of Iowa the use of construction management on this project. Vice President Jennings stated that the second phase contract with CPMI is not to correct errors in the first phase, but is intended to put "bones" on the planning process. Currently, the university has the room sizes and what facilities will go in them, but now needs things like how far down to go for ceilings, whether there will be fresh concrete or steel construction, and that type

of thing. Vice President Jennings said the university is now in the process of drawing up detailed specifications of the building, given a general configuration that has been established through Dean Jones' office in the College of Education. Finally, he noted that as far as the on-campus architect's office is concerned, that office is concerned primarily with remodeling projects and other projects that result from expenditure of RR&A funds and is not staffed to do very much work on large projects of the Lindquist variety.

The following new projects were recommended for approval:

Hospital School -- Air Conditioning Systems Renovation                     \$62,500  
Source of Funds: Hospital School RR&A

Basic Sciences Building -- Physiology and Biophysics Laboratory  
Renovation   \$62,900  
Source of Funds: University RR&A

University Hospitals -- Pediatric Faculty Office Remodeling  
Source of Funds: University Hospitals Building Usage Fund             \$14,780

University Hospitals -- Second Floor West Corridor Extension  
into Pediatric Faculty Office Area                                     \$13,218  
Source of Funds: University Hospitals Building Usage Fund

Communications Center -- Journalism Photographic Laboratories  
Air Conditioning System   \$26,700  
Source of Funds: University RR&A

Oil Spill Prevention Facilities   \$50,000  
Source of Funds: 1976 Capital Appropriations  
(The board has allocated this amount to the university for this project on a tentative basis. It is subject to the new procedures whereby after receipt of bids, any funds not required for this specific project are returned to the board's capital control account for future reallocation.)

**MOTION:**

Mr. Bailey moved the Register of Capital Improvement Business Transactions for the month of January 1977 be approved; the award of contracts made by the executive secretary be ratified; the contract with Cost, Planning and Management International, Inc., Des Moines, Iowa be approved as recommended by the university; the new projects be approved and the executive secretary be authorized to sign all necessary documents. Mr. Barber seconded the motion and it passed unanimously.

**FARM LEASES.** The board was requested to approve the following leases for the period of March 1, 1977 to March 1, 1978 at the University of Iowa:

- Hawkeye area farm - The Clausen Farm Corporation
- Hog buying facility - Joe L. Miller
- Oakdale area farm - Terry William Sass



The university reported that the Hawkeye area farm includes the Kessler, McGinnis and Miller farms for a total of 257 acres. The terms are on a crop share basis with the tenant and the university sharing equally all corn, soybeans and small grain crops. Cash rent is payable December 1, 1977 at a rate of \$50.00 per acre for hay and rotation pasture. The following costs are to be shared equally: grass, corn, oat and soybean seed, fertilizer, lime and chemicals. The university is to pay the cost of market delivery of its share of the crops. All costs of harvesting, combining and shelling are to be paid by the tenant. The university reserves the right to take possession of any portion of the farms by giving 30 days written notice, should it become necessary to use the property for other purposes. It was noted that the machine shed is included in the lease while all other buildings are excluded. The university reported that the cash rent represented an increase from \$45.00 to \$50.00 per acre for hay and rotation pasture.

The university reported that the lease for the hog buying facility is identical to the previous lease with the same lessee with rental being due in one installment on November 1, 1977 in the amount of \$600.

The Oakdale area farm lease terms are also on a crop share basis with the tenant and the university sharing equally all corn, soybeans and small grain crops. The university reported that cash rent is payable December 1, 1977 at a rate of \$20.00 per acre for permanent pasture and \$50.00 per acre for hay and rotation pasture. (It was noted that this represented an increase in cash rent from \$45.00 to \$50.00 per acre for hay and rotation pasture.) The following costs are to be shared equally: grass, corn, oat and soybean seed, fertilizer, lime and chemicals. The university is to pay the cost of market delivery of its share of the crops. All costs of harvesting, combining and shelling are to be paid by the tenant. The university reserves the right to take possession of any portion of the farms by giving 30 days written notice, should it become necessary to use the property for other purposes. The property involved 251 acres with no buildings included in the lease.

MOTION:

Mr. Zumbach moved the board approve the three farm leases as described above at the University of Iowa for 1977. Mrs. Collison seconded the motion and on roll call the following voted:  
AYE: Bailey, Baldrige, Barber, Collison, Shaw, Slife, Zumbach, Petersen.  
NAY: None.  
ABSENT: Brownlee.  
The motion carried.

JOHN F. MURRAY ENDOWMENT FUND. The university reported there was no activity for the quarter ending December 31, 1976 in the investment portfolio.

President Petersen asked board members and institutional executives if there were additional matters to be discussed relating to the State University of Iowa. There were no additional matters raised for discussion.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Friday, January 14, 1977.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of December 1976 were ratified by the board.

FACULTY DEVELOPMENT ASSIGNMENTS, 1977-78. The board was requested to approve the faculty development assignments for the 1977-78 academic year as proposed by Iowa State University.

The Board Office noted that the university was requesting approval of faculty development assignments for 35 faculty members for the 1977-78 academic year. It is estimated that the net replacement costs will be approximately \$60,000. Last year leaves for 33 faculty were requested at a replacement cost estimated at \$50,000.

MOTION: Mr. Bailey moved the board approve the faculty development assignments for the 1977-78 academic year as proposed by Iowa State University. Mrs. Collison seconded the motion.

Regent Collison noted an increase of home economics-related faculty recommended for leaves. Vice President Christensen commented that all those faculty persons in that area who applied were recommended for leave.

VOTE ON MOTION: The motion passed unanimously.

APPOINTMENT. The board was requested to approve the following appointment:

Ludomira Z. Furman, M.D., as Acting Director of Student Health Service effective January 1, 1977, to serve until a director has been designated. Salary \$37,640, 12 months basis, plus annuity.

MOTION: Mr. Baldrige moved the board approve the appointment of Ludomira Z. Furman as shown above. Mr. Slife seconded the motion.

President Parks reported that the appointment of acting director does not indicate that the position will become permanent. He reported that there is a search currently going on to find a permanent director.

VOTE ON MOTION: The motion passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported that the Register of Capital Improvement Business Transactions for the period December 11, 1976 through January 15, 1977 had been received by him, was in order, and recommended approval.

The board was requested to approve the register and also approve the commitment of project contingency funds not to exceed \$87,000 for construction necessary to the future completion of the Environmental Technologies Laboratory-Design Center and authorize the executive secretary to approve related change orders in excess of \$25,000 so that the project can proceed without delay, subject to board ratification of the change orders on future capital registers.

The Board Office reported that the executive secretary awarded one contract during the month and the university issued purchase orders on three additional contracts for pieces of equipment, all of which involved the Turbine Generator #3 and Auxiliary Equipment project.

<u>Division IV, Mechanical Draft Cooling Tower</u> Award to: The Marley Cooling Tower Company, Mission, Kansas (Award made by executive secretary)	<u>\$121,385</u>
<u>Division II-Condenser and Auxiliary Equipment</u> Award Recommended to: DeLaval Turbine, Inc.	<u>\$140,078</u>
<u>Division III-Condensate Pumps</u> Award Recommended to: Layne-Western Co., Inc.	<u>\$ 16,371</u>
<u>Division V-Cooling Tower Circulating Water Pump</u> Award Recommended to: Peerless Pump	<u>\$ 26,036</u>

(The above three contracts were awarded by Iowa State University.)

Mr. McMurray reported there were two additional contract matters to be brought to the attention of the board:

<u>Turbine Generator No. 3 and Auxiliary Equipment</u> Division 9-Electrical Equipment and Wiring Award to: Westinghouse Electrical Corporation	<u>\$ 71,703</u>
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It was noted that bids were not taken on this project because the purchase was a continuation of buying all Westinghouse equipment for standardization purposes.

<u>Steam Generator No. 4 and Auxiliary Equipment</u> Division IX-Electrical Equipment and Wiring for Ash Conveying Equipment Award Recommended to: Northwestern Electrical Contractors, Inc.	<u>\$ 14,900</u>
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Mr. McMurray reported that the low bidder failed to submit EEO data initially but it was promptly submitted the next day to the university and the Board Office which then waived the irregularity. Award was made by the executive secretary under Form A.

The following amended project budgets were presented for approval:

<u>Turbine Generator No. 3 and Auxiliary Equipment</u>	<u>\$3,495,000</u>
<u>Steam Generator No. 4 and Auxiliary Equipment</u>	<u>\$2,799,000</u>

It was noted that the budget figures did not change but that internal reallocation was proposed.

The Board Office then provided the board with additional information relating to the Design Center-Environmental Technologies Laboratory. It was reported that basically the building program for the Design Center included in it an Environmental Technologies Laboratory having a nominal area of 1,100 net square feet. The contract documents for the project include specifications for this laboratory but they did not contain structural mechanical and electrical details required to make the laboratory functional. This omission occurred primarily because of the time constraints involved in getting the project to bid coupled with a cost overrun projected by the cost control consultant just prior to the time the documents were issued for bidding.

The university reported that it estimates that the outside cost of constructing this laboratory will be \$87,000 which can be funded from project contingency funds. Method of implementation would be by contract change orders with the four prime contractors. It is anticipated that at least two of these change orders will exceed the \$25,000 level which requires board approval prior to implementation. Because the project has now reached the point where contractors' proposals must be acted upon as soon as possible after they are received, in order to avoid delay in the construction project, the university requested approval for the executive secretary to authorize any change orders totaling \$25,000 or more, subject to board ratification on a later capital register.

MOTION:

Mr. Bailey moved the board approve the Register of Capital Improvement Business Transactions for the period December 11, 1976 through January 15, 1977; approve the commitment of project contingency funds not to exceed \$87,000 for construction necessary to the future completion of the Environmental Technologies Laboratory-Design Center and authorize the executive secretary to approve related change orders in excess of \$25,000 so that the project can proceed without delay, subject to board ratification of the change orders on future capital registers; and authorized the executive secretary to sign all necessary documents. Mrs. Collison seconded the motion and it passed unanimously.

President Petersen asked board members and institutional executives if there were additional matters to be discussed relating to the university. There were no additional items raised for discussion purposes.

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Friday, January 14, 1977.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of December 1976 were ratified by the board.

PROFESSIONAL DEVELOPMENT LEAVES, 1977-78. The board was requested to approve the faculty development assignments for the 1977-78 academic year as proposed by the University of Northern Iowa.

The Board Office reported that the university requested approval of faculty development assignments for 15 faculty members for the 1977-78 academic year. It was estimated that the net replacement costs will be \$101,000. Last year leaves for 15 faculty were requested at a replacement cost estimated at \$55,000.

President Kamerick commented that the net replacement costs amount to much more than that estimated for last year. President Kamerick said the faculty members requesting leaves this year represent a greater number of full professors as compared to last year.

MOTION: Mr. Slife moved the board approve the faculty development assignments for the 1977-78 academic year as proposed by the University of Northern Iowa. Mr. Bailey seconded the motion and it passed unanimously.

RESIGNATION. The board was requested to accept the resignation of Dr. Janet L. Travis as Dean of the College of Humanities and Fine Arts and Professor of Philosophy effective February 1, 1977.

President Petersen expressed the board's appreciation to Dean Travis for the leadership she has given her department and the university during her appointment. She noted that Dean Travis has served the University of Northern Iowa with distinction. Regent Collison echoed President Petersen's remarks.

MOTION: Mr. Slife moved the board accept the resignation of Dr. Janet L. Travis as Dean of the College of Humanities and Fine Arts and Professor of Philosophy effective February 1, 1977. Mr. Barber seconded the motion and it passed unanimously.

APPOINTMENT. The board was requested to approve the following appointment:

Joseph M. Ruffo as Acting Dean of College of Humanities and Fine Arts, effective February 1, 1977. Mr. Ruffo will continue to serve as Head of the Department of Art in addition to assuming duties of acting dean until a new dean is appointed or until July 1, 1977.

MOTION: Mr. Bailey moved the board approve the appointment of Joseph M. Ruffo as shown above. Mr. Slife seconded the motion and it passed unanimously.

President Kamerick said the university has acted rather quickly to fill this position but it is very pleased with the person who has agreed to accept this position.

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REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the period of December 1 to December 31, 1976 had been received by him, was in order, and recommended approval.

MOTION: Mr. Baldrige moved the Register of Capital Improvement Business Transactions for the period of December 1 to December 31, 1976 be approved, and authorized the executive secretary to sign all necessary documents. Mr. Zumbach seconded the motion and it passed unanimously.

President Petersen asked board members and institutional executives if there were additional matters to be discussed relating to the University of Northern Iowa. There were no additional matters raised for discussion.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Friday, January 14, 1977.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of December 1976 were ratified by the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. There were no items on the Register of Capital Improvement Business Transactions for the month of December 1976.

President Petersen asked if there were additional matters to be discussed relating to the Iowa School for the Deaf. There were no additional matters raised.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Friday, January 14, 1977.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of December 1976 were ratified by the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. There were no items on the Register of Capital Improvement Business Transactions for the month of December 1976.

FIRE MARSHAL'S REPORT. President Petersen reported that an initial review of the State Fire Marshal's requirements was passed out to the board this morning. She commented there will be further study on those requirements and a resolution will be necessary at a later date in that regard.

Superintendent Woodcock noted that the inspection was conducted on December 8, 1976 by Deputy Fire Marshal Larry L. Knapp. Deficiencies were noted in some detail in the report. Preliminary cost estimates on compliance have been obtained.

President Petersen asked board members and institutional executives if there were additional matters to be brought up for discussion relating to the Iowa Braille and Sight Saving School. There was no further discussion.

ADJOURNMENT. The meeting of the State Board of Regents adjourned at noon, Friday, January 14, 1977.

  
R. Wayne Richey, Executive Secretary