

The State Board of Regents met at the State University of Iowa on Friday, January 30, 1981. Those present were:

January 30, 1981

Members of State Board of Regents:	
Mrs. Petersen, President	All Sessions
Mr. Bailey	All Sessions
Mr. Brownlee	All Sessions
Dr. Harris	All Sessions
Mrs. Jorgensen	All Sessions
Mr. Neu	All Sessions
Mr. Shaw	All Sessions
Mr. Wenstrand	All Sessions
Office of State Board of Regents:	
Executive Secretary Richey	All Sessions
Director McMurray	All Sessions
Director Sonnenschein	Exc. 11:00 a.m.
Director Volm	Arr. 11:00 a.m.
Assoc. Director Caldwell	Exc. 11:00 a.m.
Ms. Baker, Secretary	All Sessions
State University of Iowa:	
President Boyd	Exc. 3:00 p.m.
Vice President Bezanson	Exc. 3:00 p.m.
Vice President Brodbeck	Exc. 3:00 p.m.
Assistant Vice President Small	Exc. 3:00 p.m.
Assistant to President Mahon	Exc. 3:00 p.m.
Director Hawkins	Exc. 3:00 p.m.
Iowa State University	
President Parks	Exc. 1:30 p.m.
Vice President Christensen	Exc. 1:30 p.m.
Vice President Hamilton	Exc. 1:30 p.m.
Vice President Moore	Exc. 1:30 p.m.
Assistant Vice President Madden	Exc. 1:30 p.m.
Assistant to President Henry	Exc. 1:30 p.m.
University of Northern Iowa:	
President Kamerick	Exc. 1:45 p.m.
Provost Martin	Exc. 1:45 p.m.
Vice President Stansbury	Exc. 1:45 p.m.
Director Kelly	Exc. 1:45 p.m.
Iowa School for the Deaf	
Superintendent Giangreco	Exc. 1:50 p.m.
Business Manager Kuehnhold	Exc. 1:50 p.m.
Iowa Braille and Sight Saving School	
Superintendent DeMott	Exc. 1:55 p.m.
Business Manager Berry	Exc. 1:55 p.m.

GENERAL

The following business pertaining to general or miscellaneous items was transacted on Friday, January 30, 1981.

APPROVAL OF MINUTES. The minutes of the December 17, 1980, board meeting were approved as distributed. President Petersen stated that any additions or nonsubstantive changes should be turned in to the Board Office.

ACCREDITATION REPORTS. a. Accreditation of the Graduate Program in Hospital and Health Administration at the University of Iowa. It was recommended that the board receive the report on the accreditation of the graduate program in Hospital and Health Administration at the University of Iowa.

The Board Office reported that in October the university was notified that the Accrediting Commission on Education for Health Services Administration voted to accredit the program for a five-year period with an interim visit to be scheduled in three years. The commission also requested a progress report addressing the recommendations contained in its site visit report by September 1, 1981.

Recommendations in the site visit report included the following: the Program Director and faculty should seek immediate improvement in relationships with the Business School; although the Program has demonstrated substantial achievement in curriculum development it needs to continue the developmental process; and it needs to provide more of a balance between junior and senior faculty and assure opportunities for development of junior faculty. Recommendations also considered size of the entering class, a closer working relationship with the Health Services Research Center, and the development of a doctoral degree to benefit the master's program by attracting and retaining excellent faculty and providing opportunities for students.

The commission also noted several program strengths and concerns. In the area of strengths, the commission commented on the leadership of the Program Director, the strength of the university's commitment to the Program, the excellent relationships with the College of Medicine and University of Iowa Hospitals and Clinics, the varied backgrounds of the faculty, and a meaningful curriculum review process. It also noted that the faculty has appropriate teaching load requirements allowing time for student counseling, research, and other activities, there is strong support for the Program by the students and practitioners in Iowa and elsewhere, the location of the program in a strong state university, there are generally adequate physical facilities, and that Program has potential for a high quality doctoral program.

In regard to areas of concern, the commission said the Program has not developed its relationships with the Business School adequately, that the curriculum has a number of components that require further development, the Program offers too many courses, there is some duplication of course content in certain areas of the curriculum, the 1980 entering class is too large for faculty resources available; the Program needs to recruit or develop additional faculty so that there will be other senior faculty in addition to the Program Director, and faculty resources are currently in delicate balance and particularly strong in junior faculty. The commission also said the Health Services Research Center is not fulfilling its academic potential as a focus for faculty and student scholarly activities and a long-term research plan has not been articulated. It questions the value of the curriculum tracks in the context of the current course requirements and curriculum.

The Board Office noted that the full Site Visit Report on this accreditation and supporting documents are on file in the Board Office.

The Board Office congratulated the university for achieving this accreditation.

Vice President Brodbeck began discussion on this accreditation by stating that the university was very pleased with the report.

Regent Brownlee asked for clarification of the recommendation that there should be immediate improvement in relationships with the Business School, especially in the areas of finance and operations research.

Vice President Brodbeck said that the Graduate Program in Hospital and Health Administration has been working closely with the Business School. However, the Business School has experienced problems in accommodating all students and it cannot always enroll students. The Business School is working on this problem.

President Boyd pointed out that when the Program lost its accreditation, it was because it was cooperating too extensively with the Colleges of Business and Engineering and that that Program did not have enough of a core. The Program eliminated this problem and now the commission feels the Program is not spending enough time in the School of Business.

Regent Bailey indicated that he finds such inconsistencies in the accreditation process very disturbing. He noted that another inconsistency was that the commission found the teaching load requirements of the faculty appropriate but also found that there were too many courses and that more faculty are needed.

Regent Bailey also questioned the development of a doctoral program in order to upgrade the masters program. He said this could be done in any academic program but to always offer the highest degree in a program would probably destroy the budget. He found this kind of judgment to be invalid.

President Petersen received the report on behalf of the board.

b. Accreditation of Music Program at University of Northern Iowa.
It was recommended that the board receive the summary report on accreditation of the music program at the University of Northern Iowa.

The Board Office provided the following background on this accreditation. Chronologically, the current accreditation action had its origin in December 1979 when the National Association of Schools of Music Commissions on Undergraduate and Graduate Studies voted to defer action on the School of Music application for accreditation, pending response to the following concerns:

1. Show evidence of compliance with the NASM Standards that continuing laboratory experience in the music education program be supervised by qualified personnel and
2. Submit a plan to alleviate [certain] weaknesses cited in the NASM visitors' report.

It was further stipulated that the response to these concerns should be submitted in time for consideration at the commission meetings of November 1980. The university submitted its comprehensive response to NASM regarding these concerns in October 1980.

In its response the university noted that effective with the 1980-81 academic year the following procedures have been put into place:

1. The School of Music and the Office of Student Field Experiences shall be directly involved in the identification of teaching stations and the placement of music education majors who apply and who are subsequently approved for pre-student teaching experiences and student teaching.
2. The School of Music faculty, in cooperation with the Office of Student Field Experiences, will participate in the direct supervision of all music education majors who are eligible and subsequently approved for student teaching.

These new procedures, when added to the existing laboratory experience system, "should assure that qualified music faculty now will supervise all phases of the continuing laboratory experiences."

Other weakness cited by NASM to which the university responded were severe problems with the physical plant, particularly with humidity control; lack of clearly established and understood policy concerning salary, promotion, and tenure; serious problems with equipment in regard to replacement and maintenance; serious operating budget limitations which were well below comparable institutions; and limited support for recruiting graduate students.

The university pointed out its support in the area of music scholarships. Prior to 1976, funds for music scholarships were

GENERAL
January 30, 1981

provided entirely by monies raised by the music faculty themselves or by contributions from alumni and friends. In 1976, the present administration agreed to an incremental funding program which would provide "talent" scholarships for music students. Funds were increased until a total of \$16,500 was provided annually (1979). In the spring of 1980, in response to a special request from the School of Music, an additional \$6,000 was provided. This brings the total annual university contribution to music scholarships to \$22,500.

On December 17, 1980, NASM's Commissions on Undergraduate and Graduate Studies wrote to the University of Northern Iowa indicating that the commissions voted to accept the university's response and to continue the institution in good standing with the following degree listings:

Bachelor of Arts in Music
Bachelor of Music in Music Education; Performance; Theory-Composition
Master of Arts in Music; Music Education
Master of Music in Performance; Composition; Conducting; Music History

The commission also noted that NASM has declared a moratorium on the review of Bachelor of Fine Arts degrees until questions regarding B.F.A. requirements among the arts are resolved. The commission noted that the Bachelor of Fine Arts in Music Theatre offered by the University of Northern Iowa seems to be close to the typical B.F.A. structure with approximately 65% course work in the major area.

The commission commended the university on "...the thoroughness and speed with which it has addressed NASM concerns." The Board Office said the university and the School of Music should be congratulated for achieving this accreditation.

The full report on this accreditation is available in the Board Office.

Vice President Martin said the university was very pleased about this accreditation. He mentioned that the university's self-study did not understate the problems with equipment and facilities and that this caught the eye of the site visit team.

Vice President Martin also said that the problems of supervision by qualified music faculty of laboratory experiences has been worked out in an equitable manner with the College of Education. He expressed appreciation for that college's cooperation.

Regent Shaw, noting that this was the first time he became aware of the music scholarships, asked whether the scholarships are awarded on the basis of need or merit. Vice President Martin explained that auditions are held for these scholarships and that they are awarded on the basis of talent and merit. Regent Shaw wondered if this concept could be applied in other areas such as the School of Business. President Kamerick stated that there is some scholarship money for other areas of the university. He felt there was ample opportunity for the School of Business to raise its own funds.

President Petersen received the report on behalf of the board.

GENERAL
January 30, 1981

c. National Accreditation Committee of the American Association of Laboratory Diagnosticians Accreditation of Iowa State University's Veterinary Diagnostic Laboratory. It was recommended that the board receive the report of the National Accreditation Committee of the American Association of Laboratory Diagnosticians regarding the accreditation of Iowa State University's Veterinary Diagnostic Laboratory.

The Board Office noted that the Iowa State University Veterinary Diagnostic Laboratory in the School of Medicine again received reaccreditation in 1980. In October, the laboratory was reviewed by a site visit team of the National Accreditation Committee.

The Board Office summarized the comments made by the site visit team. The team found that the four sections of the laboratory are staffed by well-qualified personnel. Deficiencies noted in the last site visit reports were corrected with the addition of a senior ACEP board-certified pathologist and the development of a strong residency program. With respect to physical facilities and equipment, the site visit team noted superior utilization of space throughout the laboratory. The overall laboratory is well equipped at present. The major equipment concern was the lack of an identified replacement or equipment maintenance budget.

The site report noted that the laboratory functions as a full-service Veterinary Diagnostic Laboratory and continues to respond to the needs of the livestock industry of Iowa. The site visit team commended the laboratory and the school for meeting the testing needs during the pseudorabies emergency that existed at the time of the last site visit.

The review team noted that every effort should continue to allow for revolving fund accumulation to cover those periods when current fee-generating tests may not be in such large demand.

The team noted improvement in the histopathology caseload carried on by the technical staff and improved accessibility to the electron microscope facility. Veterinary Diagnostic Laboratory personnel remain active in continuing education and extension programs.

The site visit team noted that there had been considerable improvement in the overall budgetary picture of the laboratory since the last site visit. It said the budgetary arrangement should serve the university and state very well in that it allows the laboratory to respond to the changing needs of the livestock industry for new diagnostic tests, as well as for those teaching and research commitments of the university.

The site visit team recommended full accreditation as a full-service Veterinary Medical Diagnostic Laboratory, renewable until 1985. The Board Office noted that the university, School of Veterinary Medicine, and the laboratory should all be congratulated for their efforts in achieving this accreditation.

President Petersen received the report on behalf of the board.

AFFILIATED ORGANIZATION REPORTS. a. Iowa State University Achievement Foundation. It was recommended that the board receive the report of the Iowa State University Achievement Foundation.

The Board Office noted that the Iowa State University Achievement Foundation was established on January 1, 1980, combining the Iowa State University Alumni Achievement Fund and the Iowa State University Foundation. Its purpose is to stimulate voluntary contributions for educational and scientific purposes for Iowa State University from alumni and friends.

The Achievement Foundation is focusing on four major objectives for the 1980s. These include a \$4 million endowment fund for general university excellence, a \$4 million library fund, a \$5 million Iowa State Center endowment fund, and a \$2 million research and instructional improvement fund.

The members of the Achievement Foundation are the Alumni Association and the Iowa State University Foundation.

Both the Achievement Fund and the Foundation reported an excess of revenues over expenditures for the year ending December 31, 1979. The financial data for the Achievement Foundation will be available after the end of its first fiscal year which ends June 30, 1981.

President Petersen noted that this was a very important merging of the two fund raising organizations. She pointed out that in view of inflation and the upcoming austere biennium, fund raising for scholarships and annual gifts, as well as large one-time gifts, are now even more important than in the past. She expressed appreciation for the work of the organizations and encouraged them to continue their efforts.

President Petersen received the report on behalf of the board.

b. Iowa State University Alumni Association. It was recommended that the board receive the report of the Iowa State University Alumni Association.

The Board Office noted that in previous years, the board received reports from the Alumni Achievement Fund, the fund raising arm of the Alumni Association. In 1980, the Achievement Fund was merged with the Iowa State University Foundation to form the Iowa State University Achievement Foundation.

The Alumni Association reported net assets of \$488,973 as of December 31, 1979, increased from \$440,759 at the end of the previous year. The association reported an excess of expenditures over revenues of \$35,944 for the year ending December 31, 1979, increased from \$13,171 at the end of 1978. From 1978 to 1979, revenues increased from \$167,354 to \$171,055.

GENERAL
January 30, 1981

President Petersen received the report on behalf of the board and expressed appreciation for the work the organization did not only on behalf of the institution but, also on behalf of the Board of Regents as it helped the board carry out its information responsibilities and conduct community information meetings around the state.

c. Iowa State University Alumni Hall Corporation. It was recommended that the board receive the report of the Iowa State University Alumni Hall Corporation.

The corporation reported expenses for the 1979-80 year slightly exceeded income of \$36,189. Income for 1980-81 is projected to be \$44,115. As of June 30, 1980, the corporation's balance was \$29,987, with encumbrances of \$10,500 for architectural services and roof restoration.

President Petersen received the report on behalf of the board.

PUBLIC RADIO STATION ADVISORY COMMITTEE REPORT - UNIVERSITY OF NORTHERN IOWA. It was recommended that the board receive the report and resolutions of the Advisory Council of KHKE/KUNI.

The University of Northern Iowa submitted the report on the Advisory Council of KHKE/KUNI in accordance with a request of the board.

The report includes a resolution that the stations are meeting the specialized educational and cultural needs of the communities served by the stations. It also indicated that the Advisory Council was established using good faith efforts to assure that the composition of the board reasonably reflects the diverse needs and interests of the communities served by the station.

The Advisory Council also submitted a resolution opposing recommended centralization of all public radio and television under one official state office.

The Board Office noted that the two reports received of the public radio station advisory committee consisted primarily of resolutions and a membership list. The Board Office recommended in future reports from each of the universities that significant information be provided concerning the advisory committees' deliberations and considerations in reaching their conclusions regarding the composition of the advisory board and the extent to which educational and cultural needs are being met.

President Petersen called the board's attention to the advisory committee's resolution opposing centralization of all public radio and television under one official state office. She noted the committee's concerns coincide with those of the Board of Regents and that the resolution is supportive of the stand already taken by the board. Regent Brownlee indicated that the Radio and Television Facility Board has also adopted a similar resolution.

Regent Jorgensen said she was aware that a lot of people do listen to KHKE/KUNI and wondered if the advisory committee should be broader based than it is currently. President Kamerick said this point was well taken and that he would convey this concern to the committee. He said there is another committee which is more broadly based that covers the Waterloo, Iowa, area. He said this is the Friends Committee which is a fund raising committee. President Kamerick also said that there are some federal guidelines which dictate the composition of the advisory committee to some degree.

President Petersen agreed with the Board Office's recommendation that it would be helpful to the board to receive a fuller report on the activities of the advisory committee.

President Petersen received the report and the resolutions as adopted by the advisory committee on behalf of the board.

LEGISLATIVE REPORT - 1981 SESSION. It was recommended that the board approve submittal of a supplemental budget request to the 1981 Legislative Session of \$40,534 for casualty losses not funded by the State Executive Council from the state contingent fund and that the board accept the legislative report.

The Board Office noted that the 1981 Legislative Session convened on January 12, 1981. The legislative report covers key legislative actions and new legislation introduced through January 21.

It was noted that the Governor delivered his Condition of the State message on January 13. The Governor's budget recommendations are scheduled to be delivered to the Legislature on Thursday, January 29.

The Board Office said the Ten-Year Building Program was filed and noted in the journals on Monday, January 19. The Legislature will need to approve the Ten-Year Building Program as a prerequisite to authorization of new bonding authority.

The Board of Regents had a hearing on Thursday, January 22, 1981 before the Joint Appropriations Subcommittee for Education. This committee considers operating and capital requests. The committee will consider the Board of Regents request (except for capitals) on Tuesday, February 17 and Wednesday, February 18. The capital request will be considered on Thursday, February 26.

GENERAL
January 30, 1981

The Board Office explained that over the past year, there have been three instances in which the State Executive Council has not fully approved amounts of a casualty loss submitted to it. Those instances are shown below:

	<u>Request from Council</u>	<u>Amt. Approved by Council and Date of Action</u>	<u>Type of Loss and Pass-on Amount</u>
June 13, 1980 - UNI - Storm Damage	\$10,565	\$ 7,775/ 8-12-80	Trees - \$2,790
June 12 & 15, 1980 - ISD - Storm Damage	\$ 9,567.24	\$ 7,817.24/12-15-80	Trees - \$1,750
September 20, 1980 - ISU - Storm Damage - Ailee Research Center, Newell, and North Iowa Research Center, Kanawha	<u>\$60,794</u>	<u>\$24,800/ 12-22-80</u>	<u>Crops - \$35,994</u>
TOTALS	<u>\$80,926.24</u>	<u>\$40,392.24</u>	<u>\$40,534</u>

The total amount of loss unfunded was estimated at \$40,534. In all three instances, the State Executive Council has urged that the unfunded loss be submitted to the Legislature for an appropriation. The Auditor of State has submitted recommendations on the basis that neither the trees or crop losses represent a need for an emergency allocation of contingency funds.

The Board Office recommended that the board submit a supplemental request to the 1981 Legislative Session in the amount of \$40,534 to fund the portion of these casualty losses not covered by an allocation from the state contingency fund.

The Board Office then discussed new bills introduced to the Legislature. It described bills which in some way impact on an aspect of the Board of Regents operation. The Board Office noted that there are a number of issues which were brought up in prior legislative sessions on which the board already has taken a position from prior discussion of the issue. Great weight was given to positions taken by the board at those times.

The Board Office noted the board has the opportunity to change the position suggested in the Summary Report at the board meeting with particular attention being paid by the Board Office in its memorandum on bills to which a position of opposition is noted, as well as those bills which the board will favor or support. The positions are primarily given to guide legislative liaison in their activities.

The Board Office reported on sixteen issues in bills being followed.

Mr. Richey began discussion on the Legislative report by recommending that the board request a supplemental appropriation to cover the casualty losses described above. President Petersen pointed out that under a normal insurance situation, these losses would have been covered by insurance. She said that since the board operates on a self-insuring basis with the state, it is the board's responsibility to ask the state for these funds.

Regent Jorgensen was interested in knowing how other such cases that have gone to the Legislature were resolved. Mr. Richey responded that in most cases the Legislature has provided the funds but there have been some notable exceptions. President Petersen said this is worth taking to the Legislature because it is possible that all or most of the loss would be funded.

President Petersen added that the amount of the loss is very small. However, it is significant in terms of the board's long-term ability to rely on the self-insurance principle. She felt the principle to be as important as the amount.

MOTION:

Mrs. Jorgensen moved that the board approve submittal of a supplemental budget request to the 1981 Legislative Session of \$40,534 for casualty losses not funded by the State Executive Council from the state contingent fund. Mr. Brownlee seconded the motion and it passed unanimously.

Regent Shaw spoke about H.F. 38 which deals with limiting recovery under the Iowa tort claims act. He did not think it wise for the board to take a position on a bill with very general applications. He thought the board's interest in this bill would be limited to doctors and University hospitals. He presumed that insurance costs would be charged to the patients. He said that the State of Iowa does not have many uncommitted resources and that it is one of the few states which has no limit on the amount of judgment that can be obtained against the state. He said that the board and institutions are supported by the state and it would not be wise for the board to object to these limitations on some of the state's other obligations.

President Petersen explained that as a result of this bill, institutions or individuals could be sued over and above the amounts specified in the bill and the institution or individual would be liable for any amount over the limit. The limits provided in the bill are \$100,000 for one person and \$300,000 for two or more persons in a single accident or occurrence.

President Petersen also explained that there are individuals besides physicians who have certain risks in performing their jobs. This bill would force the board into a private insurance program to cover any liability beyond that specified.

Regent Shaw felt that many of the actions against the state are not claims of individual negligence but are claims against agencies. Regent Neu disagreed and said that many law suits deal with individuals. He said the amount of coverage provided in the bill is not very much and said that the board would have to provide additional coverage for individuals. Regent Neu said the bill was a terrible idea and that the board should oppose it.

Regent Shaw felt it would be possible for the board to buy insurance. President Petersen said this bill would have tremendous financial implication for Regent institutions. She pointed out that the board and institutions will be facing a financial struggle in the next few years and said such insurance would be an additional expense. Regent Shaw felt the University Hospitals could charge patients for the additional insurance. President Petersen pointed out that there are many other areas in which it is not possible to charge for the additional insurance.

President Kamerick said it is very important to oppose this bill for the reasons stated. He pointed out that it would be very difficult for the institutions to get such additional insurance because the insurance companies are reluctant to write policies. He said not only would the bill result in greater cost to the institutions but it would be some time before they could find a company to write an insurance policy.

MOTION: Mr. Neu moved that the board oppose H.F. 38.
Mrs. Jorgensen seconded the motion.

Regent Bailey did not think that board members were protected from being sued individually. He suggested that there should be a limit as to the amount for which a state employee or officer can be sued. Mr. Henry said there is a great deal of tort exposure outside the hospital. These areas include extension courses, radio, the communications area. He explained that a decision was made a few years ago to include protection for people who are acting in the course of their employment or duties for the state. This would include members of the Board of Regents.

Mr. Henry also said that the state placed a limit on recovery in terms of workers' compensation and that there has been criticism of the impact of that on the system. People find ways around the limit which exposes the state to a kind of liability that isn't well protected.

Regent Bailey felt there was still some risk and that the statute should be changed to provide greater protection. Mr. Henry said the Attorney General's Office has proposed legislation that deals with this problem.

GENERAL
January 30, 1981

Mr. Henry felt the board should oppose H.F. 38. He said the board is the defendant in a significant number of claims so it was justified in having an opinion on this subject.

President Petersen noted that if the board accepted the legislative report, it would not be necessary to have a separate motion on this issue. Therefore, Regent Neu withdrew the motion.

Regent Jorgensen indicated that she was not especially opposed to S.F. 7 as indicated in the Board Office summary. This bill states that agencies of state government shall not contract for private consulting service without authorization. President Petersen explained that the board has opposed this legislation because it is more efficient for the institutions to hire engineers, architects, or consultants when they are needed rather than staffing up to have those people on board. Regent Jorgensen felt this was justifiable.

Mr. Richey explained that this bill could be extended to include such things as academic programs, University Hospitals, and the accreditation process. He said it would be extremely dangerous for an outsider to review these areas.

President Boyd said he has observed that the university doesn't use very much consulting. He noted that in some circles, the use of consultants has been a way to circumvent employment classes. He said the institutions have not engaged in any of that sort of activity. He said it is remarkable that the institutions use consultants as little as they do.

Mr. Richey said it would be difficult for the Board of Regents to get exemption from this bill.

Regent Neu asked about H.F. 152 which would rewrite Chapter 68A of the Code and add an Iowa fair information practices act. Mr. Richey explained that this bill would mean that every kind of information would have to be provided with respect to whatever the board proposes. He said the extent of the bill would be overwhelming.

In regard to S.F. 35, dealing with royalties and earnings from patents or copyrights, Regent Bailey said that before the royalties are calculated the figures should include the costs for all inventions being handled by the agencies and not just those costs relating to the individual items. He said that otherwise there would be no funds for the rest of the operations of the organization. Mr. Richey said this bill would probably be opposed. As a last resort, the board could propose an amendment that would be more acceptable.

GENERAL

January 30, 1981

MOTION: Mr. Shaw moved that the board take a neutral position on H.F. 38. The motion died for lack of a second.

Regent Bailey said he would like to see a tort claims limit for liability of state employees and officers as well as for the state. Mr. Richey indicated that the Board Office would work on this and develop a follow up position.

MOTION: Dr. Harris moved that the board accept the legislative report. Mr. Bailey seconded the motion and it passed unanimously.

The Board Office then reported on Governor Ray's recommendations on the Board of Regents capital requests. It said that the Governor recommended funding of a significant capital program for 1981-83. The elements of that program are:

1. Appropriations of \$3,900,000 for 1981-82 and \$3,750,000 for 1982-83 in tuition replacement appropriations to pay net debt service on existing bonds. This is the level requested by the board for each of those two years.
2. New academic revenue bonding authority totaling \$58,135,000 with bond sales totaling approximately \$29 million in each of the next two years.
3. Tuition replacement appropriations to pay net debt service needs on the new bonding authority of \$100,000 for 1981-82 and \$1,000,000 for 1982-83.

The Board Office described the basic elements of the new bonding authority.

1. The 1980 Legislative Session deauthorized \$12,566,000 in 1979 capital appropriations and reappropriated that same amount as of July 1, 1981. Of the reappropriated amount \$12,236,000 would be converted to academic revenue bonding, thereby lessening the appropriation burden on the state for fiscal year 1981-82. Two projects within the reappropriated amount totaling \$330,000 would not be funded at this time. Those would be the water pollution control plant share at Iowa State University (\$150,000) on the basis that those funds could be requested at the time closer to construction and \$180,000 in planning for the design development plans on the Law Building on the basis that the Law Building construction is not included in the new authorization recommended by the Governor.

Projects which would be converted to bonding include the rest of the funding for the Library Addition at Iowa State University, West Campus Utility Improvements at the University of Iowa, and miscellaneous other utility improvement projects which would be initiated through this device and then fully funded in the 1981-83 capital portion of the academic revenue bonding program. Also converted to bonding is \$3,775,000 in energy management funding for the three universities so that program can continue.

2. In Category A, Emergency Needs and Safety Program, in the Board of Regents capital request \$6,670,000 of the \$6,780,000 requested would be funded by bonds. Projects include all the fire safety deficiencies for the three universities, the turbine generator supplemental funding at the University of Northern Iowa, and the handicapped accessibility program at the University of Iowa. The only exclusions would be the two projects at Iowa School for the Deaf and Iowa Braille and Sight Saving School, which are ineligible for bonding.
3. In Category B, which is New Construction, Remodeling, and Equipment, five of the board's first six priorities totaling \$33,400,000 were recommended for bonding. The only exclusion in the upper part of the list was the recreational program improvements at Iowa School for the Deaf which are ineligible for bonding. The following projects would be funded: the equipment and utility improvements for Veterinary Medicine Quadrangle and the Library Addition equipment at Iowa State University; Russell Hall Renovation at the University of Northern Iowa; construction of a Communication Facility and a University Theatre Addition to permit replacement of Old Armory at the University of Iowa; Gilman Hall Renovations at Iowa State University; and construction, utilities, and equipment for Mechanical Engineering, Engineering Science and Mechanics Building at Iowa State University. Projects totaling \$35,085,000 were not included in the recommendations.
4. In Category C, Utility System Needs, the first four priorities of the board were recommended for funding with bonds. These projects include the Heating Plant Improvements - Final Phase at Iowa State University; the Sanitary and Storm Sewer Replacements on the West Campus of the University of Iowa; Steam Distribution Improvements at the University of Northern Iowa; and the completion of the North Campus Storm Sewer at Iowa State University. Some \$3,785,000 in projects was recommended. Requested projects totaling \$3,675,000 were not included in the recommendations.

GENERAL
January 30, 1981

5. In Category D, Statewide Health Services, the project for expansion of the Chilled Water Plant at the University of Iowa totaling \$1,680,000 was recommended. This project has a higher priority overall than indicated initially by its inclusion in this category because the project needs to be completed prior to the occupancy of South Pavilion - Phase A. Excluded from funding in this category would be \$220,000 for planning an addition to the University Hygienic Laboratory at Oakdale.
6. The Governor recommended that \$364,000 in estimated issuance costs be included in the bonding authority. If such issuance costs are not added, the project budgets themselves have to absorb the cost of bonding.

The Board Office summarized that \$58,135,000 in new bonding authority was recommended. Excluded from the capital requests of the board were \$39,420,000 plus \$2,485,000 in the new energy management requests made of the 1981 Legislative Session.

In a discussion about tentative bond sale plans the Board Office said that the controlling factor in scheduling bond sales is the very conservative estimate of tuition replacement needs for new academic revenue bonding authority. The amount of \$100,000 in net debt service needs was recommended for 1981-82 with an additional \$1,000,000 net projected for 1982-83. The Board Office expects that bond sale plans will have to be adjusted to stay within the amount of money appropriated for tuition replacement purposes for the next biennium. The Board Office indicated that it will work with the institutions over the next month to formalize bond sale plans.

The Board Office made the following points in support of bonding and the projects recommended:

The only new buildings are replacement of the Old Armory facility at the University of Iowa and a new Mechanical Engineering Building at Iowa State University. The replacement facilities in both instances eliminate serious potential safety hazards. This is in addition to the programmatic needs for new space, as well as the fact that a substantial amount of the new space to be constructed represents replacement space for programs currently housed in obsolete buildings. New space would also be more energy efficient resulting in cost avoidance and more accessibility to the handicapped.

GENERAL
January 30, 1981

The \$58,135,000 bonding authority would be the largest amount authorized in any single biennium. The previous high was \$22,365,000 in the 1971-73 biennium. However, when inflation is added to the previous amount, the expression of \$22,365,000 in 1982 dollars shows an equal bonding authority today in excess of \$44 million.

Experience shows that it takes approximately eight years for a new building, once brought to the Legislature, to be funded and constructed. The ravages of inflation take a dramatic toll in the cost of the building during those eight years. A building proposed in 1974 at a cost of \$5 million would cost \$9.6 million (in 1982 dollars) to construct. This means there is a 91% increase in the cost of the structure without any gains in square footage or services provided by the structure. If a building is not funded in this biennium and is deferred until the 1983-85 biennium, that \$5 million structure will cost an additional \$2 million because of inflation.

Use of academic revenue bonding authority, rather than appropriations, to finance capital improvements would result in substantial savings to the state because of its ability to earn interest on deposits at a higher rate than is being paid for the academic revenue bonds. The state would also benefit from the use of facilities at an earlier date with consequent economic and programming advantages.

Since initiation of the program, the state has authorized about \$50 million in bonds. Some \$33 million in principal will remain outstanding after this biennium. This amount is about one-fourth of the board's reasonable ability to finance construction through this method. Thoughts have been expressed that principal debt from this source should not exceed \$120 million at any one time. Even with an authorization of \$48 million, the board's bonding capacity only approaches 75% of that level.

The ability to make money through investment of bonds proceeds significantly reduces the burden on the state. As an example, the overall cost to the state of \$50 million issuance over 20 years is estimated to be \$78 million (an additional \$16 million can be earned as a deduct to state requirements). By leaving the \$50 million in the state general fund through use of bonds, the state could earn an additional

yield of 7.5% over that 20 years, \$68.3 million of its \$78 million obligation. Net cost to the state of \$50 million in bonds is about \$10 million. The cost of the \$10 million is offset through avoidance of \$9.5 million in cost inflation through financing now, rather than deferral for two years. The same arguments hold with different figures at the \$58 million bonding level, making the net cost of bonding to the state zero dollars when costs of deferral and earning capacity of the state are considered.

Through bonding now and leaving the \$58 million in the state treasury for investment, the state could realize earnings of about \$8 million (at 7.5% per year) over the next biennium after taking care of anticipated net tuition replacement requirements. The return on investment significantly outdistances the cost to the state in debt service payments. (The Board Office noted this yeild is somewhat theoretical since the state may not have the \$58 million to invest).

The state economist has indicated that for every dollar the state invests in capital, the output through the economic system or return is \$3.27. Another way of stating it is that the state, through investment of about \$58 million through academic revenue bonding authority, would create an economic effect of almost \$189 million. There are particular advantages to the construction industry at this time because of its depressed state.

Section 262A.1 of the Code sets forth the conditions under which academic revenue bonds are authorized by the Legislature. Such authorization comes because the annual revenues of the state are insufficient to finance the immediate building requirements, etc., and in order to provide those buildings, facilities, and utility services when they are needed. The economic status of the state at this time seems to indicate more than any time since 1969 that academic revenue bonding is necessary to meet the capital needs of the Board of Regents.

The Board Office expressed pleasure that Governor Ray has recognized the Board of Regents capital needs and has recommended the means to fund a significant portion of those needs.

Mr. Richey began the discussion about the Governor's recommendations on the board's operating requests by pointing out that what the Governor recommended for the Board of Regents was consistent with his policy for the entire state budget which includes state aid to public schools, area schools, etc.

Mr. Richey summarized the recommendations made for next year:

1. The 4.6% reduction in the base of appropriations would be maintained.
2. An amount equivalent to 3% average merit increase for employees would be set aside in the Comptroller's funds. Instead of providing this amount directly to the board, the Governor recommended that the Comptroller be responsible for distributing it to all state

agencies. Mr. Richey said it has not been possible to determine how much has been set aside for the Regents but that it was important to be sure that the Board of Regents gets the full entitlement of the costs and insure the funds are adequate to cover the costs of the 3% merit increase, adjustments in social security, etc. He noted there has been a tendency in the past for these funds to be calculated inaccurately and the board has been shorted.

3. The amount for fuel and purchased electricity would be the same as that requested by the board. This is the case for all state agencies.
4. The amount for opening new buildings would be the same as that requested by the board.
5. Funds for the unavoidable cost of the sewer rate increase at the University of Iowa would be provided.
6. The proceeds from the tuition rate increase that took place in September would be left in the board's budget. This amount would be \$6.9 million. Mr. Richey noted there are income offsets to this which are not included in the budget figures. These include funds for an increase in student aid caused by the tuition rate increase, special fees, and the extraordinary fees for veterinary medicine, dentistry, etc. The \$6.9 million could be used for inflation, federal funds offset, or for any other needs. Mr. Richey said the amount would not cover all of these needs.
7. The board would have the flexibility to use the proceeds of the tuition rate increase for any of those area in which there is need. The board would have the flexibility to make allocations where there is need in terms of institutional and Regental priorities.

The above list describes what items were included in the Governor's budget recommendations. The list below describes the other items that were not included in his recommendations.

1. There would be no additional funds for inflation other than for fuel (for FY 1981-82 only).
2. There would be no funds for other essential needs requests of the board.
3. There would be no funds for building repair.
4. There would be no funds for the equipment formula.
5. There would be no funds for federal fund losses.

In regard to the \$6.9 million from the tuition rate increase, Regent Brownlee asked if it could be used for the request on academic vitality and enhancement. Mr. Richey said this issue was not specifically addressed but that it was not ruled out. He said this salary policy would be addressed at a later date.

President Boyd said there is no question that salaries are the number one concern. However, the University of Iowa faces a very difficult situation because of the \$4 million reduction in the base budget and a \$1.4 million unfunded federal instruction loss. He said the university would protect financial aid to students out of the tuition increase and the stability of the two health colleges where tuition was substantially raised. President Boyd said the university has an enormously complicated problem with which to deal. It will do its best to fight for the full appropriation request. He said the university recognizes the financial condition of the state but the university is in a very tough situation.

In response to a comment from President Boyd, President Petersen said that the board has been assured it will have a hearing before salary recommendations are made.

Mr. Richey then discussed the Governor's recommendations for the second year of the biennium.

1. There would be funds as requested by the board for opening new buildings.
2. There would be a "restoration" of the 4.6% reduction to the base budget. Mr. Richey said this could not really be considered a restoration of funds because of inflation, federal fund losses, and other demands on those funds including some base programs that would have to be continued.
3. There would be no funds for inflation for the second year of the biennium.
4. There would be no further funds for essential needs, equipment, or building repairs.

Mr. Richey said that the second year recommendations were made with the understanding that there will be a comprehensive review a year from now based on the state's financial condition at that time and the supplemental needs and requests of the institutions. There is a possibility that further funds could be provided at that time.

It was noted that it is the intent to take care of salaries for both years based on the collective bargaining cycle.

Mr. Richey also noted that the board will not have increases in the tuition rates in 1982-83 that would drive income to offset some of the problems.

President Boyd noted that the Governor of Iowa and the institutions face the unknown because of budget recommendations by the new national

administration. In connection with this, he said that he is opposed to tax credits. He said he would not want to see the need-based federal assistance program, work study program, etc. replaced by a tax credit. He said that programs such as the basic opportunity grants, which are based on need, need further infusion. President Boyd did not think this infusion would be available. He stated that only a part of the implications of this for the institutions has been seen and he thought the Governor was aware of this. The Governor will not know what he is going to be faced with until he knows what the new national administration recommends.

Mr. Richey pointed out that by the same token, the new administration has indicated it will cut income taxes at the federal level which will increase taxable income to the state. This could relieve the state's financial situation.

In reply to a comments from Regent Bailey about tax credits, President Boyd said that there is some thought that a tax credit would make institutions more accessible. He said this is not true. Regent Bailey noted that a tax credit would apply to everybody but that the need-based programs help the needy.

President Petersen found it incredible that a more expensive program might be substituted for these programs. It would be more expensive in terms of tax loss as an expenditure. She noted that the government puts a significant amount into the student aid programs.

President Petersen noted that the years ahead would be very difficult. However, she felt that the Governor's recommendations were a signal that the executive branch doesn't want to permanently dismantle the Regent institutions. She saw the intent as trying to get by a very serious financial problem in the state on a temporary basis. She noted that it will hurt the students and the board's ability to deliver on its responsibilities. President Petersen said there was an indication that the board should make its decisions in regard to the long term on the basis of returning to support of higher education in the future. She noted that the board would make different decisions if it knows there is an intent in the long run to return the support.

President Parks agreed and said this intent was extremely important. He said there is a great difference in the long run for the institutions in having the Governor recognize that the money is needed and trying to restore it as soon as possible than having someone say the money isn't needed.

Mr. Richey agreed with this basic thrust. However, in terms of what the board faces next year, he did not see how it can get through the year without some program review and some adjustments. He said this must be treated as a three-year problem because, although this year the budget reduction was treated as a nonrecurring, one year, event, this will be followed by a second and third year. The restoration of the 4.6% in the base budget will not account for all of the loss. Mr. Richey said that in the long run he is optimistic about the support of the Regent institutions.

GENERAL
January 30, 1981

President Kamerick objected to the use of a euphemism such as "program review." He said that when talking about program review, this means laying off people. Instead, he said, the board should talk about how many people it is going to lay off. He pointed out that there is no money saved through program review unless the number of people is reduced.

President Boyd said there is no question that the institutions must plan carefully and frugally. However, he said the university is going to stand behind its staff and faculty because the university has obligations to them.

President Boyd agreed that this financial problem is a 3-5 year situation and must be looked at in that context. He said another signal given which he found very encouraging was that the board has been given the flexibility to address these problems rather than having an outsider tell it how to solve the problems.

Regent Bailey hoped that the board would continue to hold the position of retaining control of the tuition money instead of having it placed in the board's budget. He said this is the way it should be. He noted that this is something the board had lost but has now gotten back.

President Petersen said the board would carry forward its complete budget requests. She said the board understands the financial conditions of the state but said the board has a responsibility to explain to the legislature the basic minimum needs of the institutions.

Mr. Richey said the Governor's capital recommendation of \$58,135,000 in bonding was most welcome. He said the institutions have all expressed great pleasure with respect to that recommendation. It demonstrates the Governor's commitment to the programs of the institutions and to the future of the institutions.

Mr. Richey noted that Mr. McMurray worked with the Governor's staff in developing the program recommended by the Governor. The integrity of the board's priorities was maintained to the fullest extent.

Mr. Richey noted that Iowa School for the Deaf and Iowa Braille and Sight Saving School are not eligible for bonding. This automatically excluded building projects at those schools. He also pointed out that projects for which funds were deappropriated and reappropriated from federal funds on July 1, 1981 in the amount of \$12.5 million dollars have to be absorbed within bonding. There was no money from appropriations to handle these and they had to be added to the board's request for next year.

Governor Ray recommended a tuition replacement appropriation for both years of the biennium for existing outstanding debt service in the amount of the board's request. He also recommended additional tuition replacement appropriation necessary to finance new bonding.

GENERAL
January 30, 1981

Mr. Richey noted that the arguments for the use of bonding which the Governor is using with respect to his recommendation were developed jointly by the Governor's Office and the Board Office. These are the arguments given on pages 531-533.

President Petersen said she was exceptionally pleased with the long-term commitment indicated by the Governor's capital recommendation. She said this would allow the board to take care of those emergency and fire safety matters that have weighed very heavily on the conscience of the board. It will also allow the board to address some of the capital utility matters to keep the institutions functioning. While the board might wish that projects further down on the list could have been included, she noted that this is a significant amount of money. President Petersen said that bonding is a very wise way to go when the state does not have the money for direct appropriations and the institutions have urgent needs. She considered this to be a very good recommendation and said the board must work very hard to convince the Legislature it is a good idea. She noted there are some skeptics to bonding and it must not be assumed that this recommendation will automatically be passed by the Legislature.

Mr. Richey noted that in regard to two major projects that were left out of the bonding recommendation, the art building at the University of Northern Iowa and the Law Building at the University of Iowa, an effort was made to inject consideration of them into the thinking of the Governor's staff.

He also noted that a million dollars appropriation for tuition replacement in the second year is very tight in terms of debt service. This will require careful scheduling of bond hearings and sales in order to stay within this amount.

Regent Bailey asked if the board's original asking, including the Law Building and Art Building, would be presented to the Legislature. President Petersen said the original request would certainly be presented.

President Petersen said the board has indicated its willingness to work with the Legislature on any combination of appropriations and bonding. To present the original proposal would be consistent with that willingness. She said the board has a responsibility to carry forward its complete capital asking and to be willing to respond to the Governor's proposal and how it will work.

Mr. Richey said that two hearings were held before the Joint Appropriations Subcommittee for Education in regard to the budget for the fiscal year 1981. The committee was interested in what possibility there was for additional budget cuts beyond the 4.6% reduction. It was pointed out to the committee that the institutions must first absorb \$9.5 in salary savings before anything could be saved toward

the \$12 million in the 4.6% reduction. It was also pointed out to the committee that the institutions had enrollment growth that represented \$4 million in unfunded state appropriations; the board was shorted \$300,000 in salary allocations by the Comptroller at the outset of the fiscal year; there were federal fund losses amounting to approximately \$750,000 for existing instructional programs, and there was unfunded inflation in the supplies and services budget of about \$3 million. This was all before the 4.6% reduction. This is about \$20 million excluding budget salary savings of \$9.5 million. The committee has not indicated any intent to make additional cuts in the Regents budget for the current year.

The committee looked at the board's capital projects and asked about the amount and status of each one to see if cuts could be made in that area. There was no indication of any intent to take any funds from those programs.

Mr. Richey thought the subcommittee was fairly well settled in its decisions for the moment for fiscal year 1981, unless the economic condition of the state worsens.

President Parks expressed appreciation to President Petersen and Mr. Richey for doing a good job of presenting the case for the board and institutions to the subcommittee. President Petersen and Mr. Richey said that the business officers and legislative liaison were also very helpful.

Mr. Richey announced that the hearing dates on the board's operating budget request were February 17 and 18 as originally scheduled. However, the hearing date on the board's capital request was changed to February 26. He asked if the February board meeting should be rescheduled for the afternoon of February 26. After some discussion it was decided to schedule the February board meeting for the afternoons of February 17 and 18.

The final schedule is as follows:

Tuesday, February 17, 1981 - Hearing on operating budget request in the
morning
Board meeting in the afternoon
Wednesday, February 18, 1981 - Hearing on operating budget request in the
morning
Board meeting in the afternoon
Thursday, February 26, 1981 - Hearing on board's capital request in the
morning

President Petersen emphasized that as many board members as possible should attend the hearings. Board members who are not participating in the presentation should attend to provide support for those members making presentations. She also noted that it would be helpful to have a meeting of those taking a part in the presentation in the Board Office on the afternoon of February 16.

REPORT ON MEETING OF COLLEGE AID COMMISSION. Regent Bailey reported that the College Aid Commission heard an annual report on the Lifelong Learning Project. He said a copy of this report could be obtained from Forrest Van Oss.

There was material presented on a needed change in the law. At the present time the statute provides authority for the College Aid Commission to administer the student loan program. This is based on a 1978 federal law. There were amendments to this law in 1980 that significantly changed the loan program. The proposed change is basically a technicality which is needed for the student loan program to function.

Regent Bailey said there was an important discussion about a new federal law which provides for a federal state agreement. A recommendation had been made that the Coordinating Council be designated as the overall state agency to handle all five programs that are covered under the law. The programs covered include the state student incentive grants program, which is presently administered by the College Aid Commission. This supplements the scholarship program and tuition grant program. Also included are instruction allotments to various educational institutions for funds for various instruction needs. This is handled by the College Aid Commission. There are three grant programs under Title I. One is the comprehensive state planning program which is handled by the College Aid Commission. Another is the information center which is handled by the Coordinating Council with the College Aid Commission acting as the fiscal agent. Another is continuing education which is assigned to the Regents who have given responsibility for it to the University of Iowa.

The staff of the College Aid Commission recommended that the College Aid Commission be designated as the agency that would handle these programs. Regent Bailey said in his view it is not necessary for any one agency to be given responsibility for all these programs and he argued for the status quo. He did not get any support for that position. A motion was made that the commission be designated as the overall agency. Regent Bailey supported the motion on the basis of making a choice between agencies.

Regent Bailey was convinced that the responsibilities of the respective programs should be left as they presently are and suggested that the Board of Regents recommend that to the Governor. He said this would be very significant as far as the Regents and the University of Iowa are concerned because of the funds involved. He pointed out that the university is set up to handle and wants to handle the extension program.

MOTION:

Mr. Bailey moved that the Board of Regents recommend to the Governor that the contract with the federal government would provide for the respective programs to be administered as they presently are. Dr. Harris seconded the motion.

Regent Wenstrand asked for further explanation. Regent Bailey said there is a matter of \$40,000 involved in the extension program. President Petersen said she had visited with Dean Ray. He told her if there are any complaints about the program, efforts are made to see that recommendations are accepted and carried through. She could see no reason to change a program that is working in an exemplary fashion.

President Boyd said this program is run with a minimum of difficulty and costs. He said it has been a great program and that the board should be proud of it. He said the proposal by the commission was an example of process driving substance. Substance should always drive process.

President Petersen pointed out that the continuing education program has initiated and carried out many programs, such as the Elder Hostel Program. She said it would be a tremendous loss for the State of Iowa for a successful, ongoing program to be changed in direction, housing, and oversight.

President Petersen said there were two ways to deal with this issue. The first is in a direct communication to the Governor and she said she would support Regent Bailey's motion. The second way is to take action at the meeting of the Coordinating Council to be held in the next week. She said the Coordinating Council would also be making a recommendation to the Governor and urged Regent representatives to attend the meeting and present the case for the board.

VOTE ON MOTION: The motion passed unanimously.

CONSTRUCTION BIDDING PROCEDURE. It was recommended that the board adopt the proposed policy on bidding procedures for certain capital projects.

The Board Office said the institutions and the board have been concerned for quite some time over the inefficiencies built into the dollar limit established in Section 262.34 of the Code on public bidding on certain construction projects. That section of the Code states:

When the estimated cost of construction, repairs, or improvement of buildings or grounds under the charge of the state board of regents shall exceed ten thousand dollars, the said board shall advertise for bids for the contemplated improvement or construction and shall let the work to the lowest responsible bidder; provided, however, if in the judgment of the board bids received be not acceptable, the said board may reject all bids and proceed with the construction, repair, or improvement by such method as the board may determine. All plans

and specifications for repairs or construction, together with bids thereon, shall be filed by the board and be open for public inspection. All bids submitted under the provisions of this section shall be accompanied by a deposit of money or a certified check in such amount as the board may prescribe.

This law has been on the books without adjustment to reflect price inflation since 1924. The Governor's Economy Committee recommended (#16) that the dollar amount be changed to \$50,000. The reasons were that under present economic conditions, the limitation results in an excessive number of public hearings and required an ever-increasing amount of time and paperwork. It restricts unduly the use of university employees who could otherwise perform much of the work. The Governor's Economy Committee suggested a savings of \$15,000 through an increase in this dollar amount and use of institutional employees.

The Board Office noted that the institutions have been faced with a very serious problem this fiscal year in effective and full utilization of institutional personnel due to the 4.6% budget cutback. As an example, the University of Northern Iowa had an original building repair budget for this fiscal year of \$412,370. To meet the 4.6% modification, the university reduced repairs to \$112,370 - a cutback of 72.7%.

Iowa State University has deferred \$484,000 in building repairs this year for the same reason. A very large number of the projects deferred are those running less than \$10,000 each that were normally done by institutional maintenance personnel. In fact, if the institutions are not able to use their own work forces to do some of the remaining building repair projects that would be in excess of \$10,000 each, they may well have to lay off some skilled craftsmen. Such dismantlement of a portion of the skilled maintenance staff for even a short period could have a seriously adverse effect upon the institution's ability to maintain the facilities in the future. Consequently, Section 262.34 of the Code was reviewed to ascertain if projects in excess of \$10,000 could be constructed with institutional personnel instead of outside contractors.

An opinion was requested of the Attorney General as to whether Section 262.34 requires the Board of Regents to advertise for bids on certain types of capital projects in excess of \$10,000 each. The Attorney General issued an opinion dated January 6, 1981, which states, in summary:

Given the ambiguity in 262.34, the better interpretation is that the statute does not require contracts to be obtained through competitive bidding on every board project exceeding \$10,000; rather 262.34 merely establishes a procedure to be followed if and when the board decides to accomplish such a project by contract.

This opinion gives the board broad discretion to use its employees to carry out projects at Board of Regents institutions.

GENERAL
January 30, 1981

The Board Office recommended that the board adopt the following policy, which both affirms the board's intent to further a competitive bidding system and sets limits on the board's discretion in use of public employees to carry out a project listed in Section 262.34:

Pursuant to Section 262.34, Code, any construction contract estimated to cost in excess of \$10,000, which is not to be performed by institutional personnel, shall be offered for public competitive bid.

It is the policy of the board that when the estimated cost of construction, repairs, or improvement of buildings or grounds exceed \$50,000, the work shall be offered for public competitive bid under the procedures outlined in Section 262.34, Code, unless authorized otherwise by the board.

The board will consider requests from the institutions on an individual basis to perform work in excess of \$50,000 with institutional personnel. Such requests shall indicate why the work should be done by institutional personnel. Work in excess of \$50,000 by institutional personnel shall require approval of the board prior to its initiation.

The Board Office checked with the institutions to determine if they have any projects on which they would plan to use institutional forces in light of the Attorney General's opinion. The University of Northern Iowa indicate it has none, but noted the change in the Board of Regents procedures would give the university an opportunity to reexamine the situation in light of the reduction of Building Repair funds available and the consequent increased demand on maintenance funds.

Iowa State University indicated it does not have any planned projects using institutional personnel which they previously planned to bid competitively. However, Iowa State University plans to propose a project for the renovation of a portion of MacKay Hall to accommodate functions of the Foods and Nutrition Department, which would most likely exceed the \$50,000 proposed limit. That project would come to the board for formal action under the policy.

The University of Iowa has four projects which it proposed to undertake using institutional personnel. None of the work, however, is over \$50,000. The projects involved are:

Remodel Lecture Room #2 - Phase I - Medical Laboratories Building

The university would undertake the demolition portion, which has an estimated cost of \$33,800, using institutional personnel.

Replace Air Conditioner - 317, Medical Laboratories

While this overall project is \$26,750, all of the pieces are below \$10,000.

Calvin Hall Remodeling - 5, 5A

This is a \$48,450 project. Only the general construction work at \$14,600 is above the \$10,000 amount.

Tissue Culture Facility Remodeling, 20, 23, 24 - Medical Laboratories

This is a \$167,850 project. The general, finishings, and electrical construction, on which the largest amount is \$34,995 for finishes, would be undertaken using institutional personnel. The largest contract, \$48,220 for HVAC and plumbing, would be done through public bidding procedures.

The Board Office will continue to point out in the capital registers any projects which fall within the above policy and require specific board approval.

The institutions have indicated that many projects below \$50,000 would still be handled by competitive bidding where considerations of efficiency and the like are so indicated. However, the interest of the institutions and the state would be served by the institutions having the flexibility to make that judgment on a case by case basis.

The Board Office noted that over the years the board has strongly affirmed that the best interests of the State of Iowa and the Regent institutions are served through use of a full and free competitive bidding system, through use of open specifications, and award to the lowest responsible bidder. The Board Office believed the proposed policy to be consistent with the board's long held views on this subject.

Mr. Richey opened discussion on this issue by noting that there is some latitude with respect to the interpretation of the Code regarding competitive bidding and what work can be done within the institutions with institutional work forces. He noted that under consideration as a part of the Regent's legislative program was that the \$10,000 amount specified in the statute be raised to \$50,000. He said that in light of the Attorney General's opinion, that legislation is not needed. Mr. Richey said the Attorney General's opinion that if a project exceeds \$10,000 and there is a plan to bid it, then it must be competitively bid would be maintained under the proposed policy.

He said the policy was being suggested to allow work to be done as a usual matter by the institutional work force on work under \$50,000 if it appears to be the most feasible, economical, and efficient way to do it. If work exceeds \$50,000 and the institution feels it should be done by the institutional work force, it would need to get a special decision from the board. He thought these exceptions would be unusual.

Mr. Richey said the proposal respects the integrity of the competitive bidding process for any work over \$10,000 but allows greater flexibility for the board and institutions with respect to smaller projects. He noted this is a change the board has been trying to get for several years because the \$10,000 figure has not been changed since 1924.

Mr. Richey noted that a letter was sent to each state contractor association notifying them of this proposed action. He said there had not been time to receive any response from them.

Mr. Richey recommended that the proposed policy be adopted by the board.

Regent Shaw objected to the proposed policy. He said that since the Legislature was in session and the Governor's Economy Committee had made a recommendation the legislation should be pursued. He said the statute has been interpreted in one way for 57 years. He thought the people who wrote the statute knew the difference between the words shall and may. He counted five shalls and 3 mayes in the statute. He said he had problems with the proposal because, in spite of the Attorney General's opinion, the law states clearly if a project is over \$10,000, it shall go to competitive bidding.

Ms. Mahon explained that one of the reasons for the Attorney General's opinion was that several years ago municipalities had varied in their interpretations of a similar law. The Attorney General indicated that the purpose of the specified limits was to insure that bids are let for projects over a given amount. She said the Attorney General's opinion was sought to see if the statute applied to work done inside the university. She noted that the law on municipalities was not changed.

Regent Shaw felt that a person should be able to read the statute and know what it means. He did not think the opinion accomplished this.

Vice President Bezanson said the meaning of the statute had not been changed. The statute provides that if the institutions go outside of the institution for work on a project that exceeds \$10,000, then the project must be competitively bid. If a project is less than \$10,000 it is not necessary to follow those competitive bid procedures. Vice President Bezanson said the only question involved was the use of internal institutional personnel. He noted that the institutions do use their own personnel and they wanted to confirm that they are in compliance with the statute.

Regent Neu asked if the board would still go forward with the proposed legislation raising the amount specified in the statute to \$50,000. Mr. Richey did not think there was any reason to do so. He said the institutions had indicated that the \$10,000 amount would not be a problem if the proposed policy is put into effect. Vice President Bezanson agreed but indicated it would be helpful to have the limit raised to \$25,000 so competitive bidding could be held on the campuses. Mr. Richey had no objection to this. However, he did not think the board should push for legislation because of the possibility of ending up with legislation that is more restrictive than the proposed policy. He noted that the proposed policy provides a lot of management flexibility.

Regent Neu still had some concerns. He pointed out that different attorney generals do not always interpret the code consistently and said that a future attorney general might reverse this opinion. He expressed concern that the Attorney General's opinion was unusual. He suggested that the board tell the Legislature it agrees with the Governor's Economy Committee; that it likes the language of the bill and would like to have the amount specified increased.

Mr. Richey said that if the opinion were changed, the board could quickly seek redress. Regent Brownlee suggested relying on the liaison staff to keep track of the bill's status.

MOTION: Mr. Brownlee moved that the board adopt the proposed policy on bidding procedures for certain capital projects. Dr. Harris seconded the motion.

President Petersen summarized that this would mean that the board would adopt the proposed policy and leave the response of the board to the proposed legislation up to the legislative liaison and the Board Office. She noted that their response would be based on this discussion. She said this motion would approve internal policies for procedures in a way for the board to carry on its activities and also give flexibility for legislative response.

VOTE ON MOTION: The motion passed with Mr. Shaw opposed.

ENERGY MANAGEMENT IN NEW CONSTRUCTION. It was recommended that the board adopt the policy on Energy Management in Design of New or Remodeled Space and endorse the Guidelines for Architects and Engineers in Energy Conservation Design of New or Remodeled Space.

The Board Office provided the following background. The 1979 Legislative Session passed a bill requiring a public agency to conduct a life-cycle cost analysis on certain facilities during design. It provides that a public agency include as a design criterion the requirement that a life-cycle cost analysis be conducted for the facility. The objectives of a life-cycle cost analysis are to optimize energy efficiency and acceptable life-cycle cost. The Code requires that such an analysis be conducted on new facilities which have 20,000 square feet or more of usable floor space which is heated or cooled by mechanical or electrical systems or in the design of a renovation project that involves an alteration cost greater than 50% of the replacement value of the facility.

The bill also requires a life-cycle cost analysis to be approved by the public agency before contracts for the construction or renovations are let. The public agency may accept a facility design and shall meet the requirement of this act if the design meets the operational requirements of the agency and provides the optimum life-cycle cost.

The act became effective January 1, 1980, and affects applicable state buildings on which design began after that date. However, the effective date for cities, counties, school districts, school corporations, etc., is January 1, 1982.

The Board Office said that up to this point, the Board of Regents has not let bids on any projects to which these requirements applied. However, there are a number of buildings in the 1981-83 capital request on which the life-cycle cost analysis would be required. These buildings include all three new buildings at the University of Iowa, the Mechanical Engineering Building at Iowa State University, and the Communication Arts Building at the University of Northern Iowa.

For the past several months, an interinstitutional committee (basically the Construction Contracts Committee) supplemented by institutional personnel directly concerned with energy management has worked on drafting procedures to recommend to the board which would lead to compliance with this legislation.

The Board of Regents and the institutions have taken a leadership role in energy management within the State of Iowa. In regard to energy design, the institutions have followed the trade accepted standards for new construction and remodeling on energy conservation known as ASHRAE 90 and ASHRAE 100 series.

However, there has not been any comprehensive package of requirements or expectations of the board and the institutions to aid designers engaged by the board and institutions in design of new or remodeled space. The interinstitutional committee felt from the outset that such a comprehensive package or guidelines should be developed which encompasses the whole range of expectations and requirements in design in this area, rather than putting sole emphasis on compliance with one bill passed in the 1979 Session.

It was felt that packaging these requirements in this manner will not only assist designers, but it will also give recognition by the Board of Regents to the importance of energy conscious design. Such consciousness is relatively new in this country.

It is hoped that the development of policies and procedures at this time will further advance the leadership position of the board and the institutions in energy management and help provide a framework for consideration of future state requirements in this area. Cities, schools, etc. can benefit from this forward approach one year in advance of their being required to undertake similar efforts.

The Board Office noted that the proposed policy on energy management and design of new or remodeled space contains the following:

The first paragraph affirms the importance of energy conservation to the Board of Regents and its institutions in design of new or remodeled space.

The second paragraph lists current state requirements expected to be followed by designers as well as minimum performance standards followed by the institutions and the state. The section also notes the board's desire that designers pursue energy conservation opportunities beyond the minimum requirements set forth in state law or as minimum performance

standards. Alternatives need to be studied and possibly accepted which go beyond those minimum standards and which ultimately lead to more energy conscious design, often at lower life-cycle costs.

The third paragraph requires a designer to submit to the board at the conclusion of schematic design a report on applicable buildings which includes minimally the basic design concept for the facility and the energy framework in which design has taken place. On all major buildings the board has traditionally had a presentation by the designer at the conclusion of schematic design. An inclusion on energy would be made part of those reports in the future.

The next section provides that at the conclusion of design development, a designer would provide a written report to the board on applicable buildings which would comprehensively consider all aspects of energy management in the design of that space. This timing both coincides with the requirements in the life-cycle cost bill that a life-cycle cost analysis be approved by the public agency before contracts are let, and represents the appropriate time when such energy management decisions have been comprehensively determined for new design.

The next sections set forth procedures for compliance with the Code requirements on approval by the public agency of the life-cycle cost analysis before contracts for construction or renovation are let and also establishes procedures whereby the final plans and specifications would go back to the board if those plans and specifications varied significantly from the facility design approved by the board at the conclusion of design development.

The last paragraph encourages the institutions to apply this policy in design of any new or remodeled space, regardless of size or value of the project to maximize energy conscious design at institutions under the jurisdiction of the board. It is important that energy conscious design be pursued throughout institutional planning as part of a comprehensive energy management program.

The Board Office said the Guidelines for Architects and Engineers in Energy Conservation Design of New and Remodeled Space would be widely distributed to designers engaged by the board and the institutions. The guidelines cover expectations in general building design considerations in such areas as building siting and orientation, building utilization, building envelope, HVAC systems, lighting systems, and special purpose systems. Guidelines also detail how a life-cycle cost analysis should be conducted and set out common energy forecasting, discount rates, economic life of the project as well as provide sample economic analyses for new buildings and major building renovation projects.

The Board Office said the use of life-cycle costs analysis in design is a relatively new field. The guidelines will help ensure that life-cycle cost analysis for Board of Regents design will be conducted in a uniform manner so that alternatives can be explored more or less on the same information base. The committee and Board Office expressed appreciation to John Houck, Engineer, University of Iowa, for his efforts in development of these guidelines.

The Board Office recommended that the guidelines be endorsed, rather than adopted, since energy management is rapidly changing at the present time. It felt the best interest of the state and the institutions would be served by retaining the ultimate flexibility to make changes as rapidly as possible in these guidelines as new thoughts, technology, etc., come to the forefront.

Mr. McMurray introduced John Houck who was present at the board meeting. President Petersen thanked Mr. Houck for his work in developing the guidelines.

Regent Bailey said that in the past few years some buildings have been tightened up so much that people do not get fresh air. He asked if consideration was given to the problem of getting fresh air into buildings in the guidelines. He felt the fresh air considerations should be included in the guidelines.

Mr. McMurray said that there was a long period in which buildings were designed without much concern for energy. A price is being paid for that today through high fuel bills. Today, he said there is a move to have energy considerations totally drive new building projects. He said that one of the underlying concerns in developing the guidelines was to give energy proper balance in buildings and also to recognize there are other reasons why new buildings are needed such as programmatic considerations. The committee tried to develop policies so that the buildings will be energy efficient but do not ignore the academic program.

Mr. Houck pointed out that the institutions follow national consensus standards known as ASRAE series which address such areas as those about which Mr. Bailey was concerned.

Regent Shaw asked about the following statement in the proposed policy:

The board shall approve a facility design at the conclusion of design development if the design meets the operational and energy management requirements of the board.

He said he understood the intent of this statement but suggested it be stated in a negative fashion. He said the statement does not allow for considerations other than operational and energy management requirements. He noted this places the primary consideration on energy rather than program needs.

Mr. Richey agreed that Regent Shaw's suggestion had merit. He said this would give the board flexibility to decide what is needed in any given building.

Regent Shaw also questioned the use of the word "minimally" in the policy in regard to the basic design concept for the facility and the energy framework. Mr. McMurray indicated that it was necessary to include this word.

Regent Wenstrand asked if this would be the first of any such policy in this category in the state. President Petersen said yes. Mr. McMurray explained that the Board of Regents is the first state agency to come under the effect of the life-cycle costs analysis requirement.

President Petersen noted that the Board of Regents would be setting models for other agencies and state and local government. Mr. Richey said this was typical because the board has usually been the first to come out with policies in respect to legislation.

In answer to a question from Regent Wenstrand, Mr. Richey said that if better ideas in regard to energy management were suggested in the future, the board would consider them. He noted that it was appropriate for the board to take a lead in this area because other state agencies don't really have very much new construction.

President Petersen felt it was important to move forward in this area, not just because some other agency might be given authority to direct the board in this area if it does not adopt policies, but because energy management is very important. She noted that there would be revisions in the guidelines as more is learned about energy management.

Dr. Harris said the proposed policy was an example of a principle guiding a policy rather than form driving substance.

MOTION:

Dr. Harris moved that the board adopt the policy on Energy Management in Design of New or Remodeled Space and endorse the Guidelines for Architects and Engineers in Energy Conservation Design of New or Remodeled Space. Mr. Neu seconded the motion and it passed unanimously.

The policy is shown on the following pages.

9.27 Energy Management in Design of New or Remodeled Space

A. The board affirms the importance of energy conservation being given thorough consideration in design of new or remodeled space for institutions under its jurisdiction. Buildings shall be designed and constructed in a manner which will minimize both the cost to the state and the consumption of energy resources used in the operation and maintenance of buildings. The board endorses the "Guidelines for Architects/Engineers in Energy Conservation Design of New and Remodeled Space" as a systematic means to ensure that such design and construction will be carried out in an energy-conscious environment.

B. The board expects any designer engaged by the board to meet all applicable or required building codes and laws of the state in design of facilities for the board. Current state requirements on energy-conscious design include:

1. Life cycle cost analysis (Chapter 116, Laws of the Sixty-Eighth G.A., 1979 Session)
2. Thermal and lighting efficiency energy conservation standards -- State Building Code (Chapter 103A, Code of Iowa)

The board also expects any designer engaged by the board to meet the following minimum performance standards in energy-conscious design:

1. ASHRAE 90 Series for new construction
2. ASHRAE 100 Series for remodeling

The board further desires that designers pursue energy conservation opportunities beyond the minimum requirements set forth in state law or as minimum performance standards.

C. During design of new construction that has 20,000 square feet or more of usable floor space that is heated or cooled by a mechanical or electrical system or in design of a renovation

project that involves an alteration cost greater than fifty percent of the replacement value of a facility, the designer shall, at the conclusion of schematic design, provide a report to the board. This report shall include minimally the basic design concept for the facility and the energy framework within which design has taken place. Tentative recommendations in design for energy areas such as building siting and orientation, as well as building envelope, will be included in this report.

D. At completion of design development, a designer shall, on an applicable design, provide a written report to the board. This report shall detail how the guidelines for energy conservation were followed including alternatives considered and give design recommendations for energy areas such as HVAC systems, lighting systems, and specialty systems.

E. The board shall not approve a facility design at the conclusion of design development unless the design meets the operational and energy management requirements of the board.

F. Upon submittal of final plans and specifications for approval by the Executive Secretary, the institutions shall certify that those plans and specifications do not vary significantly from the facility design approved by the board. Significant variations from approved facility designs shall be docketed for board action.

G. The board encourages the institutions to apply the above policy in design of any new or remodeled space regardless of size or value of the project to maximize energy-conscious design at institutions under the jurisdiction of the board.

MERIT SYSTEM CLASSIFICATION PLAN. It was recommended that the board approve the addition of Nursing Assistant II classification in pay grade 405.

The Board Office explained that national shrinkage of registered nurses combined with University Hospital's growing need for their services required augmenting the nursing staff with other staff to provide increased technical assistance while retaining the nursing supervision and control.

The approval of this new classification in the current salary range of \$9,139 to \$12,713 would be consistent with the existing two classes of Psychiatric Nursing Assistants in the Merit System.

It was felt by the hospital that the additional cost resulting from this additional classification will be offset by improving the turnover rate in the Nursing Assistant area and reducing recruitment and training costs.

MOTION: Dr. Harrive moved that the board approve the addition of a Nursing Assistant II classification in pay grade 405. Mr. Bailey seconded the motion and it passed unanimously.

BOARD OFFICE PERSONNEL REGISTER. The following action was shown on the Board Office Personnel Register and was recommended for approval:

Resignation:

Collyn L. De Nio, Associate Director Regents Merit System, effective January 2, 1981.

MOTION: In the absence of objections, the action shown on the Board Office Personnel Register was ratified.

NOTICE OF MEETING OF ASSOCIATION OF GOVERNING BOARDS. It was recommended that the board authorize three of its members to attend the 1981 National Conference on Trusteeship in New Orleans in April.

The Association of Governing Boards will hold the 1981 National Conference on Trusteeship on April 5-7, 1981, in New Orleans. The Board Office noted that under the board's procedures, any Regent wishing to attend this meeting should notify the executive secretary. Arrangements will be made to secure out-of-state travel authority from the Executive Council.

GENERAL
January 30, 1981

President Petersen noted that the board is cognizant of the state's policy not to do any unnecessary traveling in order to save money. However, she said there are funds in the Board Office budget for this purpose. She said it is important that the board have representatives attend this meeting. This is the only national meeting where the board can receive expertise and additional training in boardmanship.

NEXT MEETINGS. President Petersen noted that the February board meeting was changed to February 17 and 18.

February 17-18		Des Moines
March 12-13	University of Northern Iowa	Cedar Falls
	Iowa Braille and Sight Saving School	Vinton
April 16-17	University of Iowa	Iowa City
May 21-22	Iowa State University	Ames
June 18-19	Iowa Lakeside Laboratory	Okoboji

President Petersen then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the general docket.

AIRPORT NEAR LAKESIDE LABORATORY. Regent Bailey described a problem in regard to the proposed location of an airport near Lakeside Laboratory. He said the preferred site is near the northwest corner of the laboratory. He said this would not be a very good location for the airport because of the desire to keep that area a natural habitat. Regent Bailey said he got in touch with Professor Bovbjerg and President Boyd about this matter. They attended a meeting in regard to it.

President Petersen asked Regent Bailey to keep the board informed if should take appropriate action at a later time. She thanked Regent Bailey for this information and for his activity in regard to the Lakeside Laboratory.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Friday, January 30, 1981.

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

OTHER PERSONNEL MATTERS. The board was asked to approve the following appointment:

Donald N. McCloskey as chair of the Department of Economics in the College of Business Administration for a three and one-half year term, effective January 19, 1981.

MOTION: Mr. Shaw moved that the board approve the appointment of Donald N. McCloskey. Mr. Wenstrand seconded the motion and it passed unanimously.

REQUEST FOR FACULTY DEVELOPMENTAL ASSIGNMENTS, 1981-82 ACADEMIC YEAR. It was recommended that the board approve the faculty developmental assignments for the University of Iowa for the 1981-82 academic year.

The Board Office noted that in accordance with Section 4.08 of the Procedural Guide, the university submitted its annual request for approval of faculty developmental assignments. Faculty developmental assignments were requested for 93 faculty members for one semester each, with an estimated net replacement cost of \$90,000.

The Board Office provided information on the distribution of assignments by rank and sex, with a comparison of assignments requested and taken in prior years. Ninety-three assignments were requested at this time, compared with a total of 93 requested for 1980-81 and 91 for 1979-80. In the two previous years, the total request included additional assignments requested in April and September. The percentage of assignments to full professors remains high, at 54 percent, and associate professors account for 37 percent. Nine percent of the requests are for assistant professors and one percent for instructors. The percentage of assignments requested for women remains relatively stable at 14 percent.

MOTION: Mr. Bailey moved that the board approve the faculty developmental assignments for the University of Iowa for the 1981-82 academic year.

TERMINATION OF PROGRAMS IN BUSINESS EDUCATION. It was recommended that the board approve the termination of the bachelor's, master's, and doctoral programs in Business Education, effective after the last currently enrolled students have completed their degrees.

The Board Office noted that Section 6.16 of the Regents Procedural Guide requires that an institution desiring to terminate an academic program present its plans to the board for approval. Last year, the university reported its intention to suspend admission to the Business Education program.

Members of the Colleges of Business Administration and Education have recommended that the programs in Business Education be phased out over a two-year period. The programs have been in low demand over the past several years and there have been difficulties recruiting staff.

The university expects that the last students will graduate from these programs no later than Spring 1981 and that the programs will be formally terminated at that time.

The Interinstitutional Committee on Educational Coordination has previously reviewed the suspension of admissions to these programs and concurred with that request. The Board Office assumed that no new objections were raised by that committee. The Board Office recommended that the board approve the termination of these programs.

Regent Bailey suggested that this action should be kept in mind as an example when the board received inquiries about eliminating programs.

MOTION:

Mr. Neu moved that the board approve the termination of the bachelor's, master's, and doctoral programs in Business Education, effective after the last currently enrolled students have completed their degrees. Mr. Bailey seconded the motion and it passed unanimously.

UNIVERSITY OF IOWA CALENDAR FOR 1982-83. It was recommended that the board approve the calendar proposed by the University of Iowa for the academic year 1982-83.

The Board Office said the calendar proposed by the University of Iowa for the academic year 1982-83 is comparable to that previously approved for 1981-82. The proposed calendar, when combined with that previously approved, makes appropriate provision for seven statutorily designated holidays and two specifically designated holidays in the calendar year 1982.

Assist. Vice President Small noted an inaccuracy in the Board Office summary. She said that rather than two specifically designated holidays the university was requesting one specifically designated holiday and one additional personal holiday. This was requested in order to protect the income of University Hospitals.

MOTION: Mr. Shaw moved that the board approve the calendar proposed by the University of Iowa for the academic year 1982-83. Mr. Bailey seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final register for the month of January 1981 had been received, was in order, and was recommended for approval.

The Board Office also recommended that the board deny the request of Selzer Construction Company, Iowa City, Iowa for the return of bid security in the amount of \$1,334.95 on a bid submitted December 2, 1980, for the project University Hospitals - Third and Fourth Floor Carver Pavilion (Finishing). Through denial, the board retains the bid security as a measure of liquidated damages which were sustained by failure, neglect, or refusal of the bidder to deliver signed contracts stipulating performance of the work and unqualified compliance with contract documents within ten days after notification of award of contract was given.

The following construction contracts awarded by the executive secretary were recommended for ratification:

<u>Currier Residence Hall - Fire Safety Alterations</u>	
Award to: Burger Construction Co., Inc, Iowa City, Iowa	<u>\$24,467.00</u>
<u>University Hospitals - General Hospital Emergency Power Renovation</u>	
Award to:	
<u>General:</u> Knutson Construction Co., Minneapolis, Minn.	<u>\$94,000.00</u>
<u>Electrical:</u> Gerard Electric, Inc., Iowa City, Iowa	<u>\$111,849.00</u>
<u>University Hospitals - Third and Fourth Floor Caver Pavilion (Finishing) -- Complete Construction</u>	
Award to: Rinderknecht Associates, Inc. Cedar Rapids, Iowa	<u>\$2,870,230.00</u>
<u>University Hospitals - Radiological Imaging Center - Phase D</u>	
Award to:	
<u>General:</u> Thomas B. Kleiman, Cedar Rapids, Iowa	<u>\$31,343.00</u>
<u>Mechanical:</u> Jones Plumbing and Heating, Inc., Iowa City, Iowa	<u>\$49,150.00</u>
<u>Electrical:</u> Gerard Electric, Inc., Iowa City, Iowa	<u>\$37,230.00</u>

The following new projects were presented to the board for approval:

University Hospitals - Linen Support Area
Source of Funds: University Hospital Building Usage Funds \$44,000.00

The University Architect's Office was designated as the architect and inspection supervisor.

University Hospitals - Completion of Emergency Treatment Center
Source of Funds: University Hospital Building Usage Funds \$62,800.00

The University Architect's Office was designated as the architect and inspection supervisor.

Quadrangle, Hillcrest, and South Quadrangle Residence Halls - Phase I -
Fire Safety Alterations
Source of Funds: Dormitory Improvement Reserve \$205,200.00

Projects involve a portion of the alterations required to comply with the State Fire Marshal's survey of university residence halls for fire safety.

The board was also requested to ratify selection of the architectural firm of Wehner, Nowysz, Pattschull and Pfiffner, Iowa City, Iowa, to provide final design services through final plans and specifications and receipt of bids on an hourly rate basis with a maximum of \$18,205. The Physical Plant Department was selected as inspection supervisor.

Medical Research Center - Remodel Rooms 370-382
Source of Funds: University of Iowa Foundation \$161,000.00

The Physical Plant Department was designated as project engineer and inspection supervisor.

The Board Office noted that on the following four projects, the majority of the work would be done by the Physical Plant Department forces. All four projects fit into the procedures as outlined on pages 541-546.

Medical Laboratories Buildings - Remodel Lecture Room #2 - Phase I
Source of Funds: Department of Internal Medicine Trust Fund \$78,500.00

The Physical Plant Department was selected as engineer and inspection supervisor.

Medical Laboratories, 317 - Replace Air Conditioner
Source of Funds: Building Repairs \$26,750.00

The Physical Plant Department was selected as engineer and inspection supervisor.

Calvin Hall Remodeling - 5, 5A
Source of Funds: University Building Repairs \$48,450.00

The Physical Plant Department was selected as engineer and inspection supervisor.

Medical Laboratories - Tissue Culture Facility Remodeling, 20, 22, 23, 24
Source of Funds: University Building Repairs \$167,850.00

On this project, the HVAC contract will be bid, but the rest of the work will be accomplished with Physical Plant forces.

The board was also requested to ratify selection of The Durrant Group, Inc., Dubuque, Iowa, to provide final design services on this project on an hourly rate basis with a maximum of \$12,790. The board previously ratified selection of The Durrant Group to provide a preliminary study on the project on an hourly rate basis to a maximum of \$3,150. The new maximum includes a credit of \$1,050 of work previously accomplished on the project. The Physical Plant Department was selected as inspection supervisor.

The Board Office noted that on all four projects, approval of the register will also grant approval to the university to accomplish the projects in the manner outlined in the project description.

The board was requested to ratify institutional action on architectural/engineering contracts and to approve architectural/engineering firm selections on the following projects:

University Hospitals - Parking Ramp #1 - Lot 50 - Access Study

Ratify selection of Shive-Hattery & Associates, Iowa City, Iowa, to undertake a preliminary study on an hourly rate basis to a maximum of \$1,950.

Medical Laboratories - Riverside Drive Sanitary Sewer

Ratify selection of Shive-Hattery and Associates, Iowa City, Iowa, to provide final design services on an hourly rate basis to a maximum of \$2,800. The board has not approved a project budget to date.

Quadrangle Lounge Renovation

Ratify selection of Pierce, King and Associates, Muscatine, Iowa, to provide final design services on an hourly rate basis to a maximum of \$2,200. The board has not approved a project budget to date.

Campus Electrical Supply Renovations - Contract 3 - General Construction for Substation "U"

Ratify selection of Iowa Soil Test, Inc., Iowa City, Iowa to provide specialized engineering services on testing and staking on an hourly rate basis and standard unit testing rates to a maximum of \$24,500.

University Hospitals - Neonatal Intensive Care Nursery

Ratify selection of Engineering Associates, Cedar Rapids, Iowa, to provide final design services on this project at a lump sum payment of \$7,500. The board has not approved a project budget to date.

Zoology I and II - Fume Hood, Ventilation Retrofit - Phase I

The board was requested to ratify selection of Environmental Engineers, Inc., Des Moines, Iowa, to provide mechanical design services on this project for a lump sum fee of \$22,291. The board was also asked to ratify selection of James Lynch and Associates, Des Moines, Iowa, to provide architectural design services for a lump sum fee of \$7,478. The board has not approved a project budget to date.

Children's Hospital - Reoccupancy Remodeling - Phase III

In November the board authorized the university to negotiate a contract for architectural services with Wehner, Nowysz, Pattschull and Pfiffner, Iowa City, Iowa. The contract has been negotiated and compensation for basic services shall be a fixed fee of \$32,765. Reimbursable expenses shall be an additional amount not to exceed \$5,000. The university indicated that the project budget is estimated to be \$645,000, although that budget has not come to the board to date. The board was requested to approve the architect's contract.

Dental Science Building - Replacement of Domestic Water Piping

In December the board granted permission to the university to negotiate a contract for engineering services with Shive-Hattery & Associates, Iowa City, Iowa. That contract has now been negotiated. Compensation is on an hourly basis with a maximum of \$38,400 including compensation for reimbursable expenses not to exceed \$600. The board has not approved a project budget to date. Further, the current contract does not include compensation for construction phase services. Services needed shall be determined at the completion of the construction documents phase and would be additive to the above amount, should Shive-Hattery be selected to do the work.

Oakdale Campus - Addition - Animal Quarters (Building 129)

In December the board granted permission to the university to negotiate a contract for architectural services. The board was requested to approve selection of Bussard/Dikis Associates, Ltd., Des Moines, Iowa, to perform full architectural services on this project and to approve a contract for those services which has compensation based on hourly rates to a maximum of \$52,000. The project has a preliminary construction cost estimate of \$688,000. Architectural services provide for both the construction of an addition of approximately 4,000 square feet to the existing dog housing facilities at Oakdale to house approximately 140 dogs and the

air conditioning of Room 2 in the existing structure. The two projects would proceed simultaneously through the design process.

University Hospitals - Roy J. Carver Expansion - Phase C

Ratify selection of Hansen Lind Meyer, Inc., Iowa City, Iowa, to conduct a preliminary study to establish project design framework and a preliminary budget on an hourly rate basis to a maximum of \$24,500.

The Board Office noted that this is evidently the next major hospital construction project. The only direct reference to this project was at the academic seminar when Mr. Colloton indicated a plan to construct clinical laboratories on top of the Carver Pavilion at a Phase A construction cost of \$7,000,000. That project is critically needed to give impetus to the total pathology program. It was also indicated that this project would be initiated during 1981 utilizing university self-generated resources. The project involves two additional floors to the Carver Pavilion. Schematic plans are needed which lay out the clinical laboratories in that space. The project will be back before the board for approval and formal architect selection after schematic planning. This project evidently takes priority over the other major capital problem facing the hospital - that is, replacement of the remaining 285 non-conforming beds through placement of additional floors on the South Pavilion. The estimated construction cost in 1980 dollars of those five additional floors was \$18,000,000.

In a special contract matter, the Board Office presented the following explanation:

On December 2, 1980, bids were received for a general contract on the University Hospitals - Third and Fourth Floor Carver Pavilion (Finishing) project. Five bids were received. The only bid irregularity noted at the time of bidding was that the apparent low bidder failed to submit specified EEO information with the bid. However, the company bid on a second project at the same time and submitted EEO information with that bid. Further, the company was already on file in the Board Office with basic EEO information through virtue of past work. Because of these facts, award was subsequently made by the executive secretary to Selzer Construction Co., Inc., Iowa City, Iowa at Base Bid of \$26,699.

After the bid opening and under date of December 4, 1980, Selzer Construction Co. sent a letter to the executive secretary via Richard Jordison, University Architect's Office, which stated

Please be informed that we made a serious mistake in our estimate for this work. We, therefore, desire that our bid be withdrawn and our bid security be returned.

The letter pointed out that the "mistake" was in the amount of \$9,810, which should have been added to the Selzer bid.

The Board Office noted that the Instructions to Bidders on the Uniform Construction Documents utilized on this project states in Article 6 - Bid Security - paragraph D,

Bid security shall be agreed upon as the measure of liquidated damages which owner will sustain by failure, neglect or refusal of bidder to deliver a signed contract stipulating performance of the work in unqualified compliance with contract documents within ten days after notification of award of contract is given.

Notice of award was sent to Selzer Construction Co. on December 11, 1980. A letter was received from Selzer Construction Co. dated December 17, 1980, which stated, in part, "We are returning your contract form for this job unsigned.... As previously requested...please withdraw our bid and return our bid security."

Upon receipt of this letter, contract award was made by the executive secretary utilizing Form B to the second lowest responsible bidder, Paulson Construction Company, West Branch, Iowa, at a Base Bid of \$38,699. The contract involved installation of HVAC air handling units and vertical ductwork and needed to proceed on an urgent basis to avoid delays in the overall project completion. The overall project also involved a contract on this month's register, which is the major contract on the project, in the amount of \$2.9 million.

The Board Office and university recommended that the board take the following action:

1. Ratify award of contract made by the executive secretary to the second low bidder, Paulson Construction Co., Inc., in the amount of \$38,699.
2. Reject the request made by Selzer Construction Co. for return of bid guarantee on the project and retain said bid security in the amount of \$1,334.95.

The Board Office noted that over the past four years, the board has awarded over 500 construction contracts. There have been five instances similar to the Selzer request during that period. In all five instances, the board retained the bid security in accordance with the contract documents. The Board Office found nothing in the case with Selzer Construction Co. that was significantly different than prior instances and recommended against returning bid security as requested by the company. For the same reasons as in past cases, the Board Office felt that return of the bid bond could lead to frustration of the bidding process. The board and institutions are deeply concerned over maintaining the integrity of that process, as shown by past actions of the board. The penalty for failure to enter into a contract with the board is clearly stated in Article 6 of the Instructions to Bidders. The Board Office saw no reason to deviate from that policy.

President Petersen said denying Selzer Construction Co.'s request for return of bid security would be consistent with the board's policies and its actions in similar instances. She said this would protect the integrity of the bidding process by not allowing revisions in the bids after they are opened.

Regent Bailey pointed out that contractors should realize that the board's policy is to their benefit. He said the board could have sued Selzer Construction Co. for damages of \$12,000, which is the difference between Selzer Construction Co.'s bid and the next low bid. Instead, the company lost only \$1,334, the amount of the bid security.

MOTION: Dr. Harris moved that the board approve the Register of Capital Improvement Business Transactions for January 1981; ratify awards of construction contracts made by the executive secretary; approve the new projects; ratify selection of architectural/engineering firms for design services; approve the architectural/engineering contracts; reject the request from Selzer Construction Co. for return of bid guarantee; and authorize the executive secretary to sign all necessary documents. Mr. Shaw seconded the motion and it passed unanimously.

HOSPITAL QUARTERLY REPORT. It was recommended that the board receive the Quarterly Report from the University Hospitals and approve the proposed changes in the bylaws.

The Board Office described the proposed amendments to the bylaws, rules and regulations of the University of Iowa Hospitals and Clinics:

- 1) The final paragraph of Article IV, Section 5, Part H. was deleted in its entirety and replaced with the paragraph set forth below to provide for formal reaffirmation of the granting of clinical privileges annually by the University Hospital Advisory Committee in order to comply with the requirement of the Joint Commission on Accreditation of Hospitals for periodic reappointment to the clinical staff.

~~DELETED If the Clinical Service Head or ad-hoc review committee concludes that changes in clinical privileges are indicated, the procedures for increasing and decreasing clinical privileges provided in this section shall be followed in carrying out any changes.~~

NEW A list of all members which the Heads recommend for no change in privileges shall be submitted to the Hospital Advisory Committee through the applicable Credentials Panel. The Hospital Advisory Committee shall either reaffirm the

clinical privileges of each listed member or refer the matter of the member's clinical privileges to the applicable Credentials Panel. The matter of the clinical privileges of all members which the Heads recommend for a change shall also be referred to the applicable Credentials Panel. The Credentials Panel shall conduct a review of all referred matters which shall include an opportunity for the affected persons to submit information and, within 30 days of the referral, shall submit a recommendation which shall be handled as provided in Part C. Each such member's clinical privileges shall continue until final action by the Hospital Advisory Committee, unless they are suspended under Part F. or G.

This change was approved by the University Hospital Advisory Committee on November 5, 1980.

- 2) The second sentence of Article IV, Section 5, Part I was amended to clarify the review during provisional status by deleting the crossed out words and adding the underlined word:

The Head of the Clinical Service in which clinical privileges are granted shall designate one or more members of the active clinical staff to observe the new member's clinical competence and professional ethical ~~and moral~~ conduct for that time period.

This change was approved by the University Hospital Advisory Committee on December 17, 1980.

John W. Colloton, Director and Assistant to the President for Health Services; Mary Fuller, Associate Director; and Robert D. Miller, Assistant to the Director presented the Hospital Quarterly Report.

Mr. Colloton began the presentation on the Hospital Quarterly Report by noting that the purpose of the report was to meet the accountability of the hospitals by reporting to the board regarding activities over the past 18 months. He noted that the responsibilities delegated by the board to the University Hospital Advisory Committee are:

- 1) The establishment of internal clinical policy and procedure;
- 2) Quality Assurance programming, including Patient Care Evaluation and Utilization Review studies; and
- 3) Certifying of the clinical staff.

Attachments to the written report provided by University Hospitals included information on the agenda items deliberated by the University Hospital Advisory Committee over the past year and a half. The committee considered 120 different items, many of which related to the establishment of clinical policy and procedure within the University Hospitals.

The next attachment set forth a summary of the patient care evaluation studies that were conducted over the past eighteen months. Over the span of the past 18 months, 67 different clinical evaluation studies were conducted as opposed to the 18 studies required by external accrediting agencies.

Another attachment set forth the scope of clinical staff certification achieved at the University Hospitals during 1979-80. The medical credentials panel certified 80 new physicians and the surgical credentials panel certified 50. In addition, 434 current clinical staff members were reaffirmed for continuing privileges.

Another attachment was a summary, by department, of the total clinical staff of the University Hospitals presently holding clinical privileges. The aggregate number of faculty physicians and dentists certified for practice within the University Hospitals is presently 490 deployed among 16 different clinical services. This does not include 500 resident physicians and dentists in special training.

The two amendments (described by the Board Office) were presented in the next attachment. Mr. Colloton explained that the first amendment was triggered by a Joint Commission on Accreditation of Hospital requirement that annual formal reaffirmation be provided through the credentials panels of the grant of clinical privileges to continuing staff members. Previously, continuing staff members' clinical privileges were reviewed only by the clinical service head and reaffirmed at that level.

The second proposed amendment was an indication that in the observation of new clinical staff members during the provisional 90-day status period, that University Hospitals staff limit its observation of the new staff members' clinical competence and professional ethical conduct as opposed to moral conduct. The word moral was formerly a requirement of the Joint Commission. Mr. Colloton said that the University Hospitals considered the change to be quite appropriate.

The last attachment showed some modifications in the institutional Quality Assurance Program. Mr. Colloton asked Mary Fuller to highlight these for the board.

Mrs. Fuller explained that quality assurance systems present a review of patient outcomes and clinical practice patterns and determine if the result of patient care activities is the desired one.

The Quality Assurance Program was developed, in part, to meet the newly promulgated standards of the Joint Commission of Accreditation for Hospitals which require:

1. Responsibility for implementation of elements of the quality assurance plan be identified;
2. Identification of important or potential patient care problems/concerns, with a system of setting priorities for problems be established
3. Objective assessment of the cause and scope of problems/concerns, including determination of priorities for investigation and resolution;

4. Implementation of actions to resolve problems/concerns;
5. Monitoring of resolved problems to assure sustained resolution;
6. Maintenance of documentation to substantiate the effectiveness of the overall program;
7. Annual review and evaluation of the quality assurance plan.

Mrs. Fuller said the primary components of the Quality Assurance Program are the Patient Care Evaluation and Utilization Review Programs.

Patient care evaluation used to be done primarily by using the medical record to focus on a specific patient disease or condition for a group of peers to evaluate. New Joint Commission standards now require that quality assurance efforts focus on "problems or concerns" and patient care evaluation studies are now moving from a diagnostic basis to a problem basis. The concerns may be clinical or systems oriented. Studies must indicate that problems have been resolved or eliminated. In order to demonstrate change in these directions, follow up is necessary which documents this progress. Since there is now a broadened framework for evaluation, other programs, including infection control and safety and risk management, become involved.

In addition to formal problem studies, all departments and practitioners directly or indirectly involved in patient care activities are oriented toward a day-to-day problem solving approach.

The Professional Practice Subcommittee of the University Hospital Advisory Committee is responsible for coordinating quality assurance related subcommittees (Utilization Review and Medical Records) and those functions carried out by departmental medical and dental Patient Care Evaluation Committees, for compliance with regulatory standards and for submitting recommendations to the Hospital Advisory Committee concerning adherence to standards related to care and for inclusion in clinical staff continuing education programs.

Mrs. Fuller noted that all quality assurance studies and activities are governed by the hospital confidentiality policy. Once studies are completed and approved by the University Hospital Advisory Committee, all committee worksheets, patient/record listing and nonessential data retrieval records are destroyed. The results of the study are maintained for follow up action, education, and re-evaluation at a later date.

The Utilization Review Program is designed to assure that patients admitted to University Hospitals require the services of an acute care hospital, thus combining the goals of quality assurance and cost containment into one program. The Utilization Review Program insures that the patient's length of stay is appropriate and determines whether continued services could be provided at a different level of care such as a nursing home or the patient's own home. The program also identifies patients who will require care or services after discharge from the hospital.

The program utilizes a focused review methodology, in that the population of patients reviewed is chosen on the basis of medical criteria developed by the Iowa Foundation for Medical Care as adopted by the University Hospital Utilization Review Subcommittee as the basis for making decisions in the review process. This program dictates that patients admitted for specific diagnoses or procedures be reviewed. An additional twenty percent random sample is also reviewed for appropriateness of admission and length of stay.

Mrs. Fuller concluded that the University Hospitals' Quality Assurance Program is designed to assure that the quality of health services delivered is appropriate to meet new Joint Commission standards and to provide feedback to the staff that will allow improvement in the services provided. She noted that there are other multiple programs which serve to evaluate, provide feedback, and encourage change at the University Hospitals.

After the oral presentations, Regent Bailey began a discussion about the proposed changes in the by-laws. He wondered about the change in wording about the review during provisional status of deleting the word "moral" and adding "professional" in regard to conduct. He felt that a person's moral conduct or lack of morality would affect a person's professional competence. He also said that during the provisional status would be the appropriate time to eliminate someone who did not meet the standards.

Mr. Colloton responded that the by-law change was based on the American Medical Association's proposition. He felt the change was appropriate because morality refers to something outside the practice of medicine. Mr. Colloton also noted that in the past the board had questioned the use of the word "moral" in the by-laws.

As an example, Regent Bailey said that someone who was a drug addict, which would affect their professional capability, could be eliminated under the use of the word "moral." President Petersen indicated that this kind of situation would be covered under the new wording.

Mr. Miller explained that it would be possible to apply "moral" to personal behavior that does not affect professional competence. He said this has happened in the past and hospitals have been sued for attempting to discipline physicians. He said the change was being made so that the intent of the by-law would be clear. Mr. Miller agreed with President Petersen that drug addiction would be covered under the amended by-law.

Regent Bailey thought the by-law should remain unchanged. This would give the hospital something to use if it needed it but which the hospital should exercise judgment in using. Mr. Miller stated that no public hospital could take action against a physician unless the physician's actions in some way affected his or her performance. Therefore, the hospital would have something to use under the changed by-law.

Regent Bailey felt that situations in the probationary stage would not be covered.

Mr. Colloton pointed out that the Joint Commission on Accreditation of Hospitals, which is the national accrediting body for hospitals, recommended the by-law amendment on the basis of legal considerations. In answer to Regent Bailey's question, Mr. Colloton explained that the Joint Commission is a voluntary accrediting body and that it is not governmentally related.

Regent Brownlee said it was a wonderful change to strike the word "moral" and substitute "professional ethics." He did not think that the head of clinical services should feel qualified to judge those elements or characteristics called morals that are outside professional ethics standards. He asked how the head of clinical services is to judge those morals that are not included in professional ethics. He said this was beyond the scope of an individual's judgment.

Regent Bailey said his concern was to protect patients in matters of life and death and to keep from giving someone professional status on the clinical staff who isn't going to be a good doctor because he does have a problem.

Regent Harris said that drug problems and drinking problems would be covered under the by-law. He said that even for those doctors who have tenure, if they have a problems that would interfere with their practice of medicine, there are means whereby they are no longer allowed to continue to practice. In many cases there is a program to help a physician eliminate his or her problem and get back to the point where he or she may resume the profession.

Regent Brownlee felt that the term "professional ethics" would take care of Regent Bailey's concerns. President Boyd stated that the reason for the change was to strengthen the hospital's ability to deal with these problems. He noted that the word "moral" is no longer a very realistic way of addressing these concerns. President Petersen noted that the previous by-law was imprecise and had a lack of clarity.

Regent Bailey indicated he would not oppose the by-law amendment on the basis that the national organization has adopted it.

MOTION:

Dr. Harris moved that the board receive the Quarterly Report from the University Hospitals and approve the proposed changes in the bylaws. Mr. Shaw seconded the motion and it passed unanimously.

President Petersen expressed appreciation for the Quarterly Report. She said it was an excellent report and that it was reassuring for the board to know that the responsibilities for quality care it has delegated to the University Hospitals are being well met.

CONTINUED SUSPENSION OF PARIETAL RULE. It was recommended that the board continue the suspension of the parietal rule for freshmen and sophomores for three years commencing with academic year 1981-82 through 1983-84. The suspension would be continued on an experimental basis for the three-year period in order to ascertain that the educational benefits of dormitory living can be maintained and improved through university programming in the residence halls and, further, that suspension is conditioned upon the pledge of student fees of approximately \$147,000 subject to further adjustment for inflation as a contingency against potential loss of revenue resulting from the suspension. It is understood that the present parietal rule at the University of Iowa is automatically reinstated at the end of the three-year suspension unless the Board of Regents takes action to extend the period of suspension.

The Board Office provided the following background information. In January, 1979, the Board of Regents approved the suspension of the parietal rule for sophomores at the University of Iowa commencing with the academic year 1979-80 and for freshmen commencing with the academic year 1980-81. This action was taken with the understanding that the decision to suspend the parietal rule would be reviewed during the academic year 1980-81 in the light of the educational and fiscal results of the suspension. Recommendations from the Ad Hoc Committee on Educational Programs in the Residence Halls were responded to in a comprehensive and effective manner by the university, resulting in a greatly strengthened academic program in the residence halls.

The initial two-year suspension of the parietal rule was based in part upon a financial plan that demonstrated the financial integrity of the residence system through 1993-94. The financial plan was based on analysis of variables including projected university enrollments, projected residence hall occupancy, effective parietal rules on occupancy, steps necessary to accommodate future declines in occupancy, financial effects on occupancy declines, and residence hall bond covenants as related to parietal rules.

In general terms, the initial long-range plan demonstrated that the system's fiscal integrity could be maintained through careful monitoring of the variables noted above. Where substantial decline in enrollments and

dormitory occupancy were projected, through a skillful handling of occupancy, such as the detripling of rooms, closing of selected dining facilities, and ultimately decommissioning Currier Hall, the university demonstrated that projected losses could be minimized at the \$550,000 level in the final phase of the long-range plan. Sources of funds to offset projected losses were identified as reduced bond payments of approximately \$110,000, reduced requirements for renovation expenditures of \$258,000, reduced resident administrative overheads of \$59,000, and a pledge of student activity fees of approximately \$126,000 annually resulting from suspension of the parietal rule.

The Board Office said the revised long-range financial plan presented with the recommendation to extend the suspension for three years follows the same outlines as the initial plan. Four phases are described. Over a fifteen-year period, enrollments are expected to decline from 24,994 students in 1981-82 to 19,072 in 1995-96 or approximately 24%. Residence hall demand is anticipated to decline from 6,385 in 1981-82 to 4,416 in 1995-96 or approximately 31%. Concurrently through skillful manipulation of dormitory assignments and the decommissioning of one dormitory, operating capacity of the residence system will be reduced to the level of demand.

In the area of revenues and expenditures, the Board Office said that revenue estimates using 1980-81 dollars for the period 1981-82 through 1995-96 show a gradual decline from \$14.7 million to \$12.1 million. Operating and maintenance costs also would decline as certain fixed costs have been reduced and variable costs for the declining enrollment have been eliminated. These operating costs are projected to decline once again in 1980-81 dollars from \$12.2 million in 1981-82 to \$10.1 million in 1995-96. Debt service on dormitory bonds is approximately constant over the period at \$1.3 million. The debt service note on the Hawkeye Apartments of \$55,000 annually will continue through 1987-88 and then stop, thus reducing overall the debt service requirement. University overhead charges will decline modestly.

Through the three-year parietal rule suspension period proposed, the university plans to invest approximately \$3.6 million in building repairs, renovations, and fire code requirements. The substantial investment in building repairs and renovations, even with the dormitory system occupancy demand projected in excess of operating capacity through 1983-84, will significantly draw down residence system voluntary reserves.

The Board Office pointed out some other financial considerations. The university assumed in the fifteen-year financial plan that voluntary reserves equal to 10% of annual operating revenue will be sufficient to maintain necessary working capital and reserves for contingencies. This assumption impacts that point in the long-range plan where pledged student activity fees would be needed to meet all costs and reserve requirements. The first year for using the student activity fees pledged is targeted for 1986-87.

The university financial plans indicate that in the eleventh year of the plan, the maximum pledge of student activity fees in support of system operations and agreed upon voluntary reserve levels will have been reached and there will remain a deficit to be funded ranging from \$59,000 to \$142,000. The university proposes to cover this deficit as follows: increase revenues from room rate revisions (beyond price inflation) \$25,000, reduce administrative overhead expenses \$50,000, and reduced maintenance and repair requirements \$75,000.

The university's objective in its financial planning relating to the parietal rule was to maintain system income at a level that will cover the repayment of both bond indebtedness and appropriate operating expenses.

The university pointed out that the Regent bond consultant, Paul Speer, has advised that suspending the parietal rule would not violate bond covenants.

The university indicated that it believes the fifteen-year financial plan does not place debt service payments in jeopardy. It also demonstrates the steps necessary to meet declining dormitory occupancy while covering both debt service and operating requirements and maintaining voluntary reserves at 10% of operating revenue.

The Board Office indicated concurrence in principle with the general directions of the revised fifteen-year financial plan and with plans for the three-year period proposed for continued suspension of the parietal rule. The Board Office deferred judgment on whether a 10% voluntary reserve balance will be adequate beyond the first phase of the plan.

The Board Office recommended that the parietal rule be suspended for three years with the conditions noted above.

President Boyd began this discussion by cautioning that the programs in the residence halls will depend upon the fiscal condition of the university at any given point. He said these programs must be reviewed along with other programs.

MOTION:

Dr. Harris moved that the board continue the suspension of the parietal rule for freshmen and sophomores for three years commencing with academic year 1981-82 through 1983-84 with the conditions noted above. Mr. Wenstrand seconded the motion.

Dave Arens of the Collegiate Associations Council introduced a resolution passed by Student Senate in support of the parietal rule suspension for three years by pledging student fees against the loss of funds for 275 students in the residence halls. He explained the reasons for the resolution. He pointed out that academic and environmental programs have been placed in the residence halls. Mr. Arens said that this manner of encouraging and enticing students to live in the residence halls is a more positive and favorable approach than forcing students to live in the dormitories because of the parietal rule. He said it is important that these services be continued not only for financial considerations but because of moral support.

Bruce Hagemen, President of Student Senate, agreed with Mr. Arens. He also said that as a graduate student, he was particularly pleased to see that there are some considerations being given to making the dormitories more attractive to graduate students such as the possibility of graduate student floors. Mr. Hagemen said he was pleased with innovations in the residence halls such as the installation of computer terminals. He said that as long as the administration continued its policy of making the residence halls more attractive, he has no fear of being called upon for more student fee money.

President Petersen noted that both the commitment and leadership of the student body has made a tremendous difference in the dormitories. She noted that this issue was more than just a dollars and cents matter but that it was also a matter of leadership and desire.

President Boyd emphasized that he could not assure that programming would continue at the current level in the residence halls because of the financial conditions of the university. He noted that the basic instructional program must receive first support.

Dean Philip Hubbard, Vice President for Student Services, introduced Kim Cox and Randy Rings who represented the Association of Residence Halls.

Ms. Cox said that as a resident in the dormitory, she has seen and felt the change in the atmosphere. This has been very positive. Ms. Cox believed that vandalism against the facilities has dropped because students who don't want to live in the residence halls are not required to do so.

Ms. Cox also said that student government has become stronger and that as it gains strength it can provide more activities. She thanked the board for the trial period of suspending the parietal rule.

President Petersen said the board appreciates the leadership of those in the residence halls to help make this work.

Regent Shaw said he was happy the student government supported this issue. He said he would support the suspension of the parietal rule without the financial commitment. He said that under the bond covenants, the board has agreed to keep the dormitory system financially sound. He said that if financial difficulties did occur, he would question imposing an additional amount on student fees. He said this would affect people who do not reside in and benefit from the residence hall and questioned whether the student fee plan would be equitable. Regent Shaw indicated that he was basically relying on the university's contractual undertaking and said that the board could impose the parietal rule if necessary.

Regent Shaw said the dormitory system is a tremendous asset and hoped the university would make the most of it and be sure to have enough facilities to handle the needs of the incoming people. President Boyd said that incoming students are given preference in dormitory placement so they may have the benefits of the residence hall system. He said the university is trying to make the system an asset and that this is one of the reasons to suspend the parietal rule.

President Petersen hoped that it will not be necessary to use student fees for the residence hall system. However, she said this was an excellent commitment from the students and was a great incentive to be sure that the system works. She said she was very pleased and supported continued suspension of the parietal rule as recommended by the university.

In answer to a question from Regent Bailey, President Boyd explained that the programs in the residence halls are voluntary. However, the undergraduate advising center is located in the residence halls. All students who use this center must go to the residence halls to use it.

In answer to another question from Regent Bailey, President Boyd said that if any problems developed in regard to the suspension of the parietal rule, he would present those to the board for any necessary action.

VOTE ON MOTION: The motion passed unanimously.

President Petersen then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the State University of Iowa. There were none.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was conducted on Friday, January 30, 1981.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for December 1980 were ratified by the board.

REQUEST FOR FACULTY IMPROVEMENT LEAVES, 1981-82. It was recommended that the board approve the faculty improvement leaves for Iowa State University for the academic year 1981-82.

The Board Office noted that Iowa State University was submitting its annual request for faculty improvement leaves in accordance with Section 4.08 of the Procedural Guide. The university requested 40 leaves with an estimated cost of \$250,000. For 1980-81, the university had requested 49 leaves at an estimated cost of \$100,000.

The Board Office provided information on the distribution of leaves by rank and sex for the years 1974-75 through 1981-82 and a comparison with the number of leaves actually taken for the years through 1979-80. The total number of awards was lower this year than in the preceding two years. The percentage of requests for full professors (32%) declined significantly from percentages of 41% to 49% during the prior four years. A greater number of leaves was requested for associate professors (50%) and assistant professors (18%). Fifteen percent of the requests were for women, compared to 19% and 10% in the preceding two years.

President Petersen noted that some people have suggested that this is not the time to grant faculty improvement leave requests because of the existing financial condition. She said the board response to this is that this is the most crucial time to continue the vitality of the institutions with a minimum kind of investment. She said this particularly essential when the universities lack the ability to hire new people with fresh ideas.

President Parks said the number of requests presented was reduced from the original number of requests. The university considers it best to offer these because of faculty morale.

Regent Bailey asked if the costs were expressed on the same basis for all of the institutions. President Parks answered that each of the university uses slightly different arrangements. Iowa State University gives fewer leaves for longer durations. The faculty are completely relieved of their duties. At the University of Iowa the faculty are given partial release from classroom duty so the leaves can be spread over a larger number of people.

MOTION:

Mr. Bailey moved that the board approve the faculty improvement leaves for Iowa State University for the academic year 1981-82. Dr. Harris seconded the motion and it passed unanimously.

REPORT ON FACULTY IMPROVEMENT LEAVES, 1979-80. It was recommended that the board accept the report on faculty improvement leaves for Iowa State University for the academic year 1979-80.

The university submitted its annual report on faculty improvement leaves, with a description of the activities of faculty members on leave during the 1979-80 academic year. The board previously approved 42 faculty improvement leaves for 1979-80. Thirty-six leaves were actually taken.

It had been estimated that the net replacement cost for 42 faculty improvement leaves would be \$85,000. The university indicated that the actual cost was \$270,732.

President Petersen said she enjoys reading these reports because it reassures her about the wide variety of kind of research and teaching being done in the institutions.

President Parks said that two of the finest non-salary items the board has put into effect are the faculty improvement leave and the fringe benefits program. He said these items help the universities a great deal.

Petersen Petersen accepted the report on faculty improvement leaves for Iowa State University for the academic year 1979-80 on behalf of the board.

TUITION SCHEDULE FOR SUMMER SESSION, 1981. It was recommended that the board approve the quarter tuition schedule and special student fees for Summer Session 1981 as proposed by Iowa State University and amended as noted below.

The Board Office noted there was an error in the previously listed tuition schedule in the December minutes. The proposed fee on a quarter equivalent basis for student activities - recreation should be \$2.00. The total special student fee is then \$41.83, and the portion of the fee to the general fund is \$274.17.

In the detailed summer fee schedule submitted by the university, fees for off-campus courses are listed as \$27.00 per quarter hour for undergraduates and \$40.00 per quarter hour for graduates. In 1980-81, these rates were \$23.00 per quarter hour and \$36.00 per quarter hour. At the December 1980 board meeting, the board approved a motion that rates for undergraduate off-campus courses should be uniform at \$45.00 per semester hour at the three universities and that the rate for graduate off-campus courses at Iowa State University should be \$60.00 per semester hour. These approved rates convert to \$30.00 per quarter hour for undergraduates

and \$40.00 per quarter hour for graduates. However, the university indicated that its proposed off-campus rates, which are identical to those for six-week courses, are consistent with its practice in previous summers and should be retained during the last summer session on the quarter system.

The Board Office recommended approval of the proposed fee schedule.

MOTION: Mr. Bailey moved that the board approve the quarter tuition schedule and special student fees for Summer Session 1981 as proposed by Iowa State University and amended as noted above. Mr. Wenstrand seconded the motion and it passed unanimously.

The tuition rates are shown below.

Iowa State University
Proposed Tuition Rate Increase
 Summer Session 1981-82

Projected Summer Session Enrollment

	<u>Number of Students¹</u>	<u>Current Tuition Rate/Quarter</u>	<u>Proposed Tuition Rate/Quarter</u>	<u>% Increase</u>
Undergraduate Resident	3,179	\$272	\$316	16.2%
Undergraduate Nonresident	860	627	782	24.7%
Total Undergraduate	<u>4,039</u>			
Graduate Resident	1,198	317	360	13.6%
Graduate Nonresident	<u>1,148</u>	667	828	24.1%
Total Graduate	<u>2,346</u>			

Total Summer Session
 Enrollment 6,385

Additional funds provided by fee increase - \$470,000 for general fund support, based upon the fee increase and an estimated 10% increase in summer session enrollment.

Setting aside the special student fee increases of \$11.83 per student for the 1981 summer session will provide approximately \$70,000 for increased student aid.

¹Based upon average enrollment for both six-week summer sessions.

Iowa State University
1981 Summer Session Special Student Fees

	<u>Current Fees/Quarter¹</u>	<u>Proposed Fees on Quarter Equivalent Basis²</u>	<u>Increases Available for Student Aid Support</u>
Undergraduate Resident Tuition	\$ 272.00	\$ 316.00	
Special Student Fees			
Debt Service			
Memorial Union	2.00	2.00	
Hilton	7.00	7.00	
	<u>9.00</u>	<u>9.00</u>	
Special Purpose Fees			
Memorial Union Oper.	7.00	8.00	1.00
Intercollegiate Athletics	6.50	6.50	--
	<u>13.50</u>	<u>14.50</u>	<u>1.00</u>
Student Activities			
Recreation	1.30	2.00	1.70
GSB	7.20	8.33	1.13
	<u>8.50</u>	<u>10.33</u>	<u>2.83</u>
Iowa State Center	--	4.67	4.67
Bus Service	<u>--</u>	<u>3.33</u>	<u>3.33</u>
Total Special Student Fees	31.00	41.83	11.83
Portion of Fee to General Fund	\$ 241.00	\$ 274.17	

¹ Mandatory fee paid by all undergraduate and graduate students.

² Based upon adjusting previously approved semester fees to a per quarter basis.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final register for December 18, 1980, through January 30, 1981, had been received, was in order, and was recommended for approval.

The board was asked to approve the executive secretary's action on the following construction project:

Pave South Riverside, South 16th Street to Veterinary Medicine Entrance
Award to: Iowa Road Builders Company, Des Moines, Iowa \$32,515.09

On December 23, 1980, the executive secretary concurred in the above award of contract by the Iowa Department of Transportation.

This project was the last one to be bid in the 1980 construction program for institutional roads. The original construction budget was \$70,000. The project will be funded from the 1980 Board of Regents' share of the institutional road fund, although construction will not begin until this spring.

The board was requested to approve the following action on a consultant contract:

Utilities - Sewer Improvements - Heating Plant Storm Sewer

Ratify an increase in the maximum compensation due Ames Engineering and Testing Company, Ames, Iowa, from \$10,000 to \$14,272. The university recommended acceptance of four additions to the basic services covered by the contract. The board initially approved the engineering contract in February 1980 at \$10,000. Contract award took place in May 1980. The contract award was \$100,00. The register contained an acceptance of the completed contract with Hurst Excavating, Inc., dated January 8, 1981.

MOTION: Dr. Harris moved that the board approve the Register of Capital Improvement Business Transactions for December 18, 1980, through January 30, 1981; ratify award of contract by the Iowa Department of Transportation; ratify action on the consultant contract; and authorize the executive secretary to sign all necessary documents. Mr. Bailey seconded the motion and it passed unanimously.

President Petersen then asked board members and institutional executives if there were additional matters to be brought up for discussion pertaining to Iowa State University. There were none.

UNIVERSITY OF NORTHERN IOWA.

The following business pertaining to the University of Northern Iowa was transacted on Friday, January 30, 1981.

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

OTHER PERSONNEL TRANSACTIONS. The board was asked to approve the following actions:

Resignation:

Dr. Walter L. Bishop, Professor and Head of the Department of School Administration and Personnel Services, effective December 10, 1980.

Change of Status:

Dr. Seven B. Corbin, from Associate Professor of Marketing to Associate Professor of Marketing and Acting Head of the Department of Marketing, effective January 5, 1981.

Dr. Robert F. Gish, from Professor of English to Professor of English and Associate Dean of the College of Humanities and Fine Arts, effective January 19, 1981.

Dr. Peter Coulet, from Associate Professor of Management to Associate Professor of Management and Acting Head of the Department of Management, effective January 5, 1981.

Dr. Gaylon Halverson, from Professor of Accounting to Professor of Accounting and Head of the Department of Accounting, effective January 5, 1981.

Dr. Donald L. Hanson, from Professor of Education to Professor of Education and Acting Head of the Department of School Administration and Personnel Services, effective January 19, 1981.

In regard to the resignation of Dr. Bishop, Regent Bailey asked if this was the result of disappointment that the doctoral program in business administration was not approved. Vice President Martin said Dr. Bishop's department would have been involved in the doctoral program. However, he did not think disappointment in this area was the primary reason for Dr. Bishop's resignation.

MOTION: Mr. Bailey moved that the board approve the resignation and changes of status listed above. Mr. Wenstrand seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final register had been received, was in order, and was recommended for approval.

There were no construction contracts contained in the register.

The board was asked to approve the following revised or amended budgets:

Reconstruct Roads Serving Shops Area - Phase II - Parts 1 and 2

The university requested an increase of \$22,000 in the project budget approved by the board in December 1979. The increase takes the budget from \$196,000 to \$218,000, all funded by the State Parks and Institutional Roads Fund. This was a technical revision to comply with the construction costs inserted in the 1981 Institutional Roads Construction Program.

The board was asked to approve the following new projects:

Reconstruction and Expansion of the Industrial Technology Center Parking Lot

Source of Funds: Reserve Parking Fund \$200,000.00

This parking lot is currently gravel surfaced and will be hard surfaced under this project. Parking will be provided for approximately 120 vehicles.

The university also requested approval of a design agreement with Jensen Consulting Engineers, Inc., Cedar Falls, Iowa, to provide full engineering services on an hourly basis with a maximum fee of \$11,250. This project is tied to the project to Extend Campus Street. That project will be funded by the institutional roads program. Jensen Consulting Engineers, Inc., is also the consultant on that project.

Regents Complex Steam Line Replacement Phase I

Source of Funds: Residence System Improvement Fund \$38,000.00

This project involves replacement of the steam line serving Shull Hall.

The university also requested approval to retain Gilmore and Doyle, Waterloo, Iowa, to provide engineering services on this project. The contract will be accomplished through a purchase order using the hourly rates in the general services consultant contract reported below. The maximum engineering fee would be \$2,500. The firm would also review the plan for the entire Regents Complex steam distribution installation to ensure that the partial installation to Shull Hall will balance with the total planned installation.

The board was asked to authorize the university to make payments for additional services on two contracts and to enter into a general contract for mechanical and electrical engineering services:

Coal-Fired Boiler Replacement and Auxiliaries

Approve payment of \$6,781.12 to Brown Engineering Company, Des Moines, Iowa, for additional services requested by the university which were outside the scope of the original design agreement. The two items involved preparation

of materials for the university to submit to the federal Environmental Protection Agency and additional trips made to the campus over the number stated in the original contract.

Reconstruction of Roads Serving Shops Area - Phase II - Parts 1 and 2

Approve payment of \$182.90 to Brown Engineering Company, Des Moines, Iowa, for additional services requested by the university which were outside the scope of the original design agreement.

General Consulting Contract

Approve a general contract for mechanical and electrical engineering services with Gilmore and Doyle, Waterloo, Iowa. This contract has been drawn using the Standard Agreement between Owner and Engineer. Hourly rates of compensation for principals are \$35.00. The university has had similar type contracts in the past with engineering firms and such contracts give the university first call on use of these firms when problems arise that internal staff cannot handle for a variety of reasons. The university also has similar type contracts for architectural services with two local firms.

MOTION:

Mr. Bailey moved that the board approve the Register of Capital Improvement Business Transaction for the period of December 6, 1980, through January 16, 1981; approve the revised or amended budget; approve the new projects; approve the design agreement; approve retaining Gilmore and Doyle to provide engineering services; authorize payments for additional services; approve entering into a general contract for mechanical and electrical engineering services; and authorize the executive secretary to sign all necessary documents. Mr. Wenstrand seconded the motion and it passed unanimously.

REPORT ON REDUCTION IN OPERATIONS. The university asked the board to accept its report on reduction in operations.

The university reported that the temporary reduction in operations during a sixteen-day period in late December 1980 and early January 1981 saved \$43,000 in energy costs. Measures implemented before and after the holidays should increase that to about \$91,000 by the end of the winter because of lowered building temperatures for four weekends prior to the reduction and during cold weather weekends following it.

The university noted that the savings gained will be applied toward the 4.6% reversion of state appropriated funds to the State Treasury by June 30, 1981, as directed by Governor Robert Ray. The university must revert \$1,450,000.

During the sixteen-day reduction in operations, temperatures were lowered in twenty-two campus buildings where advance study, analysis and experimentation had shown there would be no damage to the buildings or their contents. All campus buildings were locked and building and security checks were stepped up to ensure that no damage would occur.

It was reported that only one water pipe broke during the period of reduced operations. It was discovered during a routine check by University Security Officers.

The university concluded that besides the immediate energy savings, experience gained by university personnel should enhance the operation of the Physical Plant during the balance of the fiscal year and in the future.

Regent Jorgensen opened discussion by noting that she had received questions about why the holiday break was so long. Some people commented that students did not have anything to do during the holiday break.

President Kamerick pointed out that the holiday break and the reduced operations were not really related. He said the break was set according to the academic calendar. However, he noted that the long break was needed in order to have a four-week shutdown.

President Kamerick said that when school is not in session, it is clear that something must be done about saving energy. In answer to Regent Jorgensen's question about cost in terms of air conditioning, President Kamerick said that it is reasonably certain that heat will be needed in the winter. It is not as certain that air conditioning will be needed through the third week in May, which is the end of the school term.

President Kamerick also pointed out that the report dealt only with energy savings. He said there were additional savings in payroll.

President Petersen accepted the report on reduction in operations on behalf of the board.

TUITION RATES, STUDENT FEE ALLOCATIONS, AND MISCELLANEOUS FEES, SUMMER SESSION 1981. It was recommended that the board (1) approve the University of Northern Iowa tuition rates and student fee allocations for summer 1981; (2) approve the 1981-83 miscellaneous fees, effective June 1, 1981; and approve the action of the University of Northern Iowa Student Association (UNISA) to allocate the proceeds of the increased Student Activity fee to the Student Emergency Loan Fund.

The Board Office explained that in December, 1980, the board determined that tuition rates for 1981-83 would become effective June 1, 1981, in order to cover all 1981 summer sessions. The University of Northern Iowa previously submitted its tuition schedule for 1981-83, including summer session tuition to be effective summer session 1982. The schedule was changed from the summer session 1980 schedule in two ways: (1) rates per hour were increased and were consistent with other tuition increases; and

(2) a single rate was provided for twelve or more hours (undergraduate) and nine or more hours (graduate) instead of for eight or more hours (undergraduate) and seven or more hours (graduate).

The university requested approval of a revised summer session 1981 tuition schedule in which: (1) the rates per hour are increased and are identical with those approved for summer 1982; but (2) single rates are provided for eight or more hours (undergraduate) and seven or more hours (graduate), as in previous years. The university indicated that this structure was requested for summer 1981 only in order to retain its consistency with Iowa State University during its last summer session on the quarter system.

The Board Office said the student activity fee schedule presented for summer 1981 was identical to that previously approved for summer 1982. The UNI Student Association Senate recommended allocation of the proceeds of the increased Student Activity fee to the Student Emergency Loan Fund. The extra income resulting from the change in the effective date of tuition and fee increase is expected to be approximately \$10,000. The university supported this recommendation.

The Board Office reviewed the list of miscellaneous fees submitted by the university. It said that before these fees are submitted for approval again, the universities should consider revising them with appropriate consideration of the purposes for the fees and administrative costs. It noted that the increase in the fee for credit by examination from \$20 to \$38, based on the undergraduate tuition rate for one credit hour, seemed appropriate.

The correspondence fee of \$28 per semester hour and the extension class fee of \$45 per semester hour are identical with those for the University of Iowa and consistent with the board's action in December 1980.

An increase in the fee for Price Laboratory's summer session from \$58 to \$76 was proposed so that the revenue generated would bear a more appropriate proportion of instructional cost. The Board Office noted that the rate should not be so high that the enrollment would be reduced significantly. These elementary students are needed for the university instructional programs. It is expected that approximately 10 university students would be taking 5 credit hours of instruction in the school, approximately 10 students would require practicum and laboratory, and approximate 70 students would be observers as a requirement of an education course. The Board Office regarded the 31% increase to be appropriate considering the need for the elementary students for the university instructional program. It said that when miscellaneous fees are considered again, consideration should be given to increasing the Price Laboratory summer session fee further.

The Board Office recommended approval of the miscellaneous fees as submitted by the institution.

Chris Gammack, president of UNISA Senate was present at the board meeting. He said he was pleased that the university supported UNISA's recommendation to allocate the proceeds of the increased Student Activity fee to the Student Emergency Loan Fund. This is a program that has been heavily used.

Mr. Gammack said there is uncertainty about the future of programs such as the BEOG program as to when benefits and reimbursements will arrive. He also noted that more cash flow problems are anticipated for students.

One of the advantages of the emergency loan program, said Mr. Gammack, is that it is available to all students regardless of whether or not they receive financial aid. He noted that all students would be paying this fee. Mr. Gammack said the students were very enthused that it was possible to find a program that would fit the needs of everyone so well.

MOTION:

Dr. Harris moved that the board approve the University of Northern Iowa tuition rates and student fee allocations for summer 1981; approve the 1981-83 miscellaneous fees, effective June 1, 1981; and approve the action of the UNISA Senate to allocate the proceeds of the increased Student Activity fee to the Student Emergency Loan Fund. Mr. Bailey seconded the motion and it passed unanimously.

The University of Northern Iowa tuition rates, student fee allocations, and miscellaneous fees are shown below.

1981 Summer Session Tuition Schedule
Effective June 1, 1981

<u>Credit Hours</u>	<u>Iowa Resident</u>	<u>Iowa Nonresident</u>	<u>Credit Hours</u>	<u>Iowa Resident</u>	<u>Iowa Nonresident</u>
1	\$ 76	\$ 76	1	\$106	\$106
2	76	76	2	106	106
3	114	234	3	159	348
4	152	312	4	212	464
5	190	390	5	265	580
6	228	468	6	318	696
7	266	546	7 or more	340	712
8 or more	280	570			

UNIVERSITY OF NORTHERN IOWA
January 30, 1981

Student Activity Fee Schedule
1981 Summer Session

<u>Activity</u>	<u>Summer 1980 Fee</u>	<u>Proposed for 1981</u>
Student Union Fee	\$ 3.00	\$ 3.75
Building Fund for Student Activity	2.00	2.25
Field House Fee	3.00	3.00
Student Activities	5.25	8.00
Athletics	.75	1.00
Fine Arts/Cultural	--	1.50
Health Fee	--	.50
	<hr/>	<hr/>
Total	\$14.00	\$20.00

Miscellaneous Fees

	<u>Current 1980-81</u>	<u>Proposed 1981-83</u>
Applied Music (in addition to tuition)		
Private lessons per credit hour	\$ 35	\$ 40
Group (4 or more) voice or piano	20	20
Late Enrollment	5	5
Credit by Examination, university courses per course	20	38
Correspondence, per semester hour	25	28
Extension Class, per semester hour	40	45
Transcript of Academic Record		
One Transcript	2	2
Each additional, same order	1	1
Application for admission to the university	10	10
Reinstatement after Cancellation	10	10
Replacement of ID Card or Registration Certificate	3	3
Iowa Lakeside Laboratory Fee	130	--
Visitors		
by the week	15	--
by the course	‡ fee for credit	--
CLEP Fees	Various	--
Price Laboratory School Summer Session	58	76

President Petersen then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the University of Northern Iowa.

FIRE AT PRICE LABORATORY SCHOOL. Vice President Stansbury reported that a transformer in the basement of the Price Laboratory School in one of the equipment rooms had caught fire due to a short. Further investigation showed that two other transformers in other equipment rooms had also been damaged by fire. He said it was believed that this had an inverse effect and caused some power outages in the Tower and in Pammel Court.

Vice President Stansbury said the university was in the process of repairing the transformers. He noted that classes were being held on an abbreviated basis but it was expected that the school would be in full operation by the beginning of the next week.

Vice President Stansbury said the investigation into the cause of the fire was still underway.

President Petersen accepted the report on behalf of the board.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Friday, January 30, 1981.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for December 1980 were ratified by the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. There were no items contained in the Register of Capital Improvement Business Transactions.

President Petersen then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to Iowa School for the Deaf. There were none.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Friday, January 30, 1981.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for December 1980 were ratified by the board.

PROPOSED SCHOOL CALENDAR FOR 1981-82. It was recommended that the board approve the proposed Iowa Braille and Sight Saving School calendar for 1981-82.

The board office noted that the institution proposed a school calendar for 1981-82 similar to that in effect for the 1980-82 school year, except that the school year begins and ends one week later. The school indicated its proposed calendar follows as nearly as practical the calendar of the Vinton Community Schools, that it is based on 180 class days, and that it includes a total of 189 teacher contract days. It is also based on 11 home weekends, 3 major vacations totaling 30 and one-half days, and 22 school weekends.

When combined with the previously approved 1980-81 calendar, the calendar year 1981 includes seven holidays granted annual and two days to be accrued as vacation. The combined calendars provide for three rather than two designated holidays in 1981, compensating for the fact that there was only one designated holiday in 1980.

The Board Office recommended approval of the calendar.

MOTION: Mr. Neu moved that the board approve the proposed school calendar 1981-82 for Iowa Braille and Sight Saving School. Mr. Bailey seconded the motion and it passed unanimously.

LETTER OF COMPLIANCE FROM THE DEPARTMENT OF PUBLIC INSTRUCTION. It was recommended that the board receive the report on the letter of compliance from the Department of Public Instruction.

The Board Office noted that for the past several years, the Iowa Braille and Sight Saving School has been attempting to achieve "compliance" status with the Department of Public Instruction. It received a letter of compliance dated December 21, 1980.

This letter of compliance is for the 1980-81 school year and expires as of June 30, 1981. Apparently, the Department of Public Instruction is not planning an evaluation of the school in the current school year.

The Board Office congratulated Superintendent Demott and his faculty and staff for achieving this long sought after letter of compliance.

President Petersen added congratulations from the board and said it was very pleased to have the letter of compliance from the Department of Public Instruction.

President Petersen received the report on the letter of compliance from the Department of Public Instruction on behalf of the board.

REGISTER OF CAPITAL IMPROVEMENTS BUSINESS TRANSACTIONS. The Board Office reported that the Register of Capital Improvement Business Transactions for the month of December 1980 had been received, was in order, and was recommended for approval.

The register contained a single item. The board was requested to ratify selection of Shive-Hattery and Associates, Cedar Rapids, Iowa, to prepare final plans and specifications on a project to repair the eaves on the Main Building. Compensation is on an hourly rate basis to a maximum of \$5,500. The board previously ratified selection of this firm to provide schematic plans and cost estimates on this project. At a later meeting, the board will be requested to approve a project budget which would be funded from current year's Building Repairs funds.

Regent Bailey asked how much Shive-Hattery and Associates was paid to do schematic plans. He questioned the amount of fees involved. Regent Bailey noted that during times of poor financial conditions, it is important to watch small dollar amounts as well as large dollar amounts. Superintendent DeMott said the project does not involve ordinary eaves and down spouts. These are very involved systems. The planning did not just include architectural planning but also included engineering considerations which were included in the fee.

Mr. McMurray noted the new contract also includes construction supervision and inspection.

Mr. Berry explained that the schematic design encompassed several areas including the drainage system and the underground storm sewer. He said that there is deterioration in the interior walls in the Main Building in several locations. More time was spent on schematic design for this building because it is quite old and the school wants to retain the architectural value of the building. He noted that this project is urgently needed.

MOTION:

Mr. Bailey moved that the board approve the Register of Capital Improvement Business Transactions for December 1980; ratify the consultant contract; and authorize the executive secretary to sign all necessary documents. Mr. Neu seconded the motion and it passed unanimously.

President Petersen then asked board members and institutional executives if there were additional matters to be raised pertaining to the Iowa Braille and Sight Saving School. There were none.

ADJOURNMENT: The meeting of the State Board of Regents adjourned at 3:00 p.m. on Friday, January 30, 1981.



R. Wayne Richey
Executive Secretary