

The State Board of Regents met at the University of Northern Iowa, Cedar Falls, Iowa on Thursday, July 28, 1977. Those present were:

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Members of State Board of Regents:

Mrs. Petersen, President	All Sessions
Mr. Bailey	All Sessions
Mrs. Belin	All Sessions
Mr. Barber	All Sessions
Mr. Brownlee	All Sessions
Mr. Harris	All Sessions
Mr. Shaw	All Sessions
Mr. Slife	Absent
Mr. Wenstrand	All Sessions

Office of State Board of Regents:

Executive Secretary Richey	All Sessions
Mr. Abel	Arr. 10:00 a.m.
Mr. Barak	Exc. 3:30 p.m.
Mr. Caldwell	Arr. 10:00 a.m.
Mr. DeNio	Arr. 2:00 p.m.
Mr. McMurray	All Sessions
Mrs. Mininger	Exc. 3:30 p.m.
Mr. Volm	Arr. 2:00 p.m.
Pauline K. Van Ryswyk, Secretary	All Sessions

State University of Iowa:

President Boyd	All Sessions
Vice President Brodbeck	All Sessions
Vice President Jennings	All Sessions
Assistant to President Mahon	All Sessions
Assistant Vice President Small	All Sessions
Director Hawkins	All Sessions
Director Strayer	All Sessions

Iowa State University:

President Parks	All Sessions
Vice President Christensen	All Sessions
Vice President Moore	All Sessions
Assistant Vice President Madden	All Sessions

University of Northern Iowa:

President Kamerick	All Sessions
Provost Martin	All Sessions
Vice President Stansbury	All Sessions
Director Kelly	All Sessions

Iowa School for the Deaf:

Superintendent Giangreco	All Sessions
Business Manager Kuehnhold	All Sessions

Iowa Braille and Sight Saving School:

Business Manager Berry	All Sessions
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The following business pertaining to general or miscellaneous items was transacted on Thursday, July 28, 1977.

WELCOME. President Petersen welcomed Mrs. Constance Belin, Dr. Percy G. Harris, and Mr. Peter J. Wenstrand to the board. She encouraged the new members to ask questions and make comments relative to the docket.

APPROVAL OF MINUTES OF JUNE 16-17, 1977 AND JUNE 30-JULY 1, 1977 MEETINGS. The minutes of the June 16-17, 1977 and June 30-July 1, 1977 meetings were approved as distributed. President Petersen noted a word change in the June 16-17, 1977 minutes and requested the board call in any additions or corrections to the June 30-July 1, 1977 meeting if necessary as they were just distributed this morning.

MOTION:

Mr. Bailey moved the board approve the June 16-17, 1977 and June 30-July 1, 1977 Board of Regents' minutes with the understanding that if there are wording changes, those will be submitted to the Board Office for correction. Mr. Barber seconded the motion and it passed unanimously.

COMMITTEE ON EDUCATIONAL COORDINATION. A. Bachelor of Liberal Studies Degree. The board was requested to approve the Bachelor of Liberal Studies degree as recommended by the Interinstitutional Committee on Educational Coordination.

It was noted that each institution presented the board with material pertaining to the proposed Bachelor of Liberal Studies degree on each respective campus. That information is on file at the Board Office. President Petersen observed that the institutions have worked in a coordinated fashion to work out this external degree program and while they agree in detail, each institution still was proposing to work within its own expertise to deliver its curriculum and to satisfy the necessary requirements of same.

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The Board Office reported that the Regents' Bachelor of Liberal Studies degree proposal was an attempt to meet the needs of the "new learners" by providing a flexible degree program which meets the needs of many persons who would otherwise be unable to participate in higher education. The proposed program would be of particular value to the growing number of graduates of Iowa's community college parallel programs since it builds on the credits already accumulated at the area schools.

The Board Office commented that discussion of the possibility of the three state universities jointly offering a Bachelor of Liberal Studies degree began in the fall of 1967 in the State Extension and Continuing Education Council. Further work on the development of the Bachelor of Liberal Studies concept was delayed until 1970 when an interinstitutional faculty committee was appointed to give further consideration to the proposal. The report of this committee to the State Extension Council in 1971 contained an estimate that it would be at least six years before the program could be self-supporting. In May 1970 the State Extension Council reported its Bachelor of Liberal Studies efforts to the State Coordinating Committee on Continuing Education, a state-wide committee consisting of continuing education administrators from the Regents institutions, the private colleges and universities, and the area schools and community colleges. All educational segments represented on the Coordinating Committee were interested and the committee authorized the employment of a task force on non-traditional degree programs. This task force consisted of representatives of all segments of postsecondary education in Iowa.

The task force began meeting regularly in March of 1972 and presented its final report to the State Coordinating Committee for Continuing Education in August of 1972. The main recommendation of the task force was the establishment of an Iowa Commonwealth College. Only the private colleges and universities endorsed the Iowa Commonwealth College proposal and it was never presented to the legislature for funding. Several attempts were made to secure private funding for a state-wide external degree program, but they all failed. In 1975, the Higher Education Facilities Commission retained the Office of New Degree Programs of the College Entrance Examination Board and the Educational Testing Service to study the need for non-traditional continuing education programs in the state of Iowa.

In March of 1975 the Interinstitutional Committee on Educational Coordination requested the State Extension and Continuing Education Council to investigate the possibility of a combined, coordinated program among the three universities relating to an external Regental program. In order to further this objective, the Committee on Educational Coordination established an ad hoc interinstitutional committee to develop curriculum requirements that would

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be common to the Bachelor of Liberal Studies degrees at the three universities and to suggest mechanisms for coordinating interinstitutional efforts in course delivery for the degrees. The committee carried out its work during 1976 and forwarded a common Bachelor of Liberal Studies curricular proposal to the Committee on Educational Coordination in April of 1977. The curriculum requirements as presented in the institutional dockets were subsequently approved by the appropriate faculty groups at each of the three Regents universities.

It was noted that since this proposal has been coming forward for some time and its developments step by step have been monitored by the Board Office and the Interinstitutional Committee for Educational Coordination, it was recommended by the Board Office that: 1) the board deviate from its normal procedure of requiring a month-long review of new proposals by the Board Office and the interinstitutional committee, and 2) approve this proposal at today's meeting.

Vice President Martin said the universities do not want to mislead the public into concluding that they are completely ready to run the program. He said the universities are, however, going to launch the delivery of the program in spite of lack of sufficient funding.

Regent Shaw commented that it might be most desirable for the board to defer action on the recommendation before it at this time. He noted that with new members on the board and the voluminous amount of material presented the board this month, more time should be given this matter prior to approval. He emphasized, however, that while he was very supportive of the idea of making education in all forms accessible, there may be too many items on today's agenda to give this matter the necessary time it deserves.

Several other concerns were raised by Regent Shaw. He stated that the materials presented the board describe extensive activity going back to 1967 where explorations have been undertaken with other agencies. He commented, however, that the proposal seemed to come from only our own people. In other words, it envisions a group of nine persons who will manage this who are all university personnel. Regent Shaw noted that there was also a reference to a study completed by the Higher Education Facilities Commission in the last year or so but there was no description presented the board as to what those findings were.

Regent Shaw commented that two of the board's universities are engaged in the University of Mid-America program which is an extension type of activity and noted that there was no reference in the material presented the board as to how that ties in.

Regent Shaw stated that in reading the birth reports of the last 10-15 years it is known that there are going to be some changes and adjustments. He said it appears the trend will be to have fewer people on campus.

Regent Shaw asked if the board may be recommending a type of "second class" degree in the Bachelor of Liberal Studies proposal. He said this proposed program should have the same stature, comprehensiveness, and rigor as any other program being proposed on the university campuses.

In response to Regent Shaw's remarks, Vice President Christensen noted that he chaired the task force in western Iowa to bring graduate level education to western Iowa. He emphasized that the community colleges and private colleges in western Iowa are very enthusiastic about the proposed Bachelor of Liberal Studies degree program. He added that the private and community colleges view the proposal as a supplement.

Vice President Christensen commented that the respective institutional faculties worked hard on this proposal and feel that the mechanism for setting it up and the offering of the courses will be "first class" in all respects. He said there needs be no concern that the proposal before the board would be "second class."

As far as the resources for the program are concerned, Vice President Christensen reported that while the legislature did not appropriate all the money asked for, \$30,000 has been approved for development of the Bachelor of Liberal Studies degree.

President Petersen noted that the way the Bachelor of Liberal Studies degree program is designed is that it would build upon the AA degrees so that those persons interested in the program would be required to complete two years either in an area community college or a private institution before they would be able to enter this program.

Vice President Christensen stated that the Bachelor of Liberal Studies program will not in any way be competing with the first two years of higher education in the state of Iowa. He added that persons taking courses in the private colleges will be encouraged to take courses in their geographical localities.

Vice President Martin introduced several members of the State Extension and Continuing Education Council who were present for discussion: Charles E. Donhowe, Iowa State University, Raymond J. Schlicher, University of Northern Iowa; and M. Francis Downes, University of Northern Iowa.

Mr. Downes reported that he chaired the State Extension and Continuing Education Council during the past year. He reiterated the strong support from the upper level sector of education for this proposed program.

Mr. Downes commented with respect to the proposed program and its effect on on-campus enrollments. He said he feels the effect will be the exact opposite from what some people may think. He said he feels that this external degree program will attract students to the campus rather than pull them off campus. President Petersen concurred by saying that other states around the country that have initiated such programs have indicated that these external programs have acted as a "feeder" to their institutions rather than diminishing the programs across the board in the institutions. President Petersen said she feels certain that the proposed Bachelor of Liberal Studies degree program will act in this state as it has in other

states for similar kinds of programs as an opportunity to help students further their educations.

In response to Regent Shaw's point about the relationship between the Bachelor of Liberal Studies degree program and the University of Mid-America, President Parks said there is no conflict involved there. He added, too, that there is a "meshing" between the two. The University of Mid-America is a regional experiment in opening learning. It had an on-site visit from the National Institute of Statistics some months ago and it was recommended that it needed some kind of degree-granting possibilities. President Parks said it is good to have universities which are a part of that to have some degree-granting possibility.

Regent Bailey commented that he felt it would be irresponsible for the board to take the position that it could approve the Bachelor of Liberal Studies program unless it knew where the funds for same would be coming from.

Regent Bailey noted that it was indicated by the Board Office that the State Extension and Continuing Education Council would serve as the chief administrative body. He said he was not certain of the make-up of that council and asked if it consisted of membership over and above Regents' institutional representatives.

Mr. Schlicher reported that the State Extension Council was made up of six persons from the three Regents institutions, two from each university. He noted that the Iowa Coordinating Council for Post-High School Education had also been consulted on the Bachelor of Liberal Studies proposal. He noted that the two groups worked in tandem.

Regent Harris noted that the proposal before the board has been reviewed by several committees and has the support of the institutions. He commented that while he, too, has questions about the funding aspect, that can not be answered at this point in time. He said he was very much in favor of the Bachelor of Liberal Studies proposal.

MOTION:

Mr. Harris moved the board approve the Bachelor of Liberal Studies degree as recommended by the Interinstitutional Committee on Educational Coordination.
Mr. Shaw seconded the motion.

Regent Belin noted that she is interested in terms of increased accessibility to a whole group of potential students in Iowa. She said the Bachelor of Liberal Studies degree would be a great service to many in Iowa. Regent Belin said it seems that a lot of very important, cooperative groundwork has been done for working people, women at home, and for many others.

Regent Shaw said his earlier concerns were removed by the board's discussion. He said the board must watch, however, for the resources to make sure it doesn't impair what's going on. Secondly, he said it is obvious that this matter has involved full coordination. Finally, he said the board must continue to monitor the quality of this program.

Regent Barber also commented that it seems quite apparent that this matter has been studied by the institutions in depth over quite a long

period of time. He said the Bachelor of Liberal Studies program would fill a need which currently exists.

Regent Bailey asked if board approval would mean the proposed Bachelor of Liberal Studies program could actually begin now or whether the curriculum could just be arranged. Vice President Martin responded by saying certain elements are available now. Some people have already accumulated credits that would apply to this degree.

Vice President Brodbeck commented again on the point of quality of the proposed program. She said that the three universities worked very closely with the various Colleges of Liberal Arts around the state and have taken an immense interest in standards and procedures to assure that the proposed program will have the same quality as on-campus programs. She noted that this proposed degree has not been permitted to be offered outside a college before. She commented that in addition to the interinstitutional committee that reviewed this proposal, there is a College of Liberal Arts Committee at the University of Iowa that is specifically devoted to examining all the courses of the program and the way they will be offered. As to development, a committee made up of liberal arts faculty and persons from other schools who were concerned with developing the courses now being developed in different parts of the state and western Iowa met to discuss this proposal.

VOTE ON MOTION: The motion passed unanimously.

B. Area School Approval Recommendations. The board was requested to: 1) accept the area school approval recommendations as submitted by the Committee on Educational Relations and 2) encourage the Committee on Educational Relations to submit its report in a more timely fashion so that the Regents approvals go forward to the Governor at the same time as the Board of Public Instruction approvals (i.e., prior to July 1).

The Board Office reported that the area school approval recommendations submitted were in compliance with the Departmental Rules for Area Schools established pursuant to the authority conferred by Section 280A.33, Code of Iowa.

The team evaluation visits to Merged Areas I, XII, and XVI were cooperative visitations with North Central Association of Colleges and Schools evaluation teams. In addition to the three cooperative team evaluations with North Central Association teams, one of the annual visitations was also a cooperative visit with an NCA evaluation team.

President Petersen commented that the legislature has recommended that the evaluation of the area schools by the Department of Public Instruction and the Board of Regents should be a continuing matter.

Vice President Martin said the Committee on Educational Relations experienced a problem of timing in submission of its recommendations to the board and noted that this matter will be corrected.

MOTION:

Mr. Bailey moved the board: 1) accept the area school approval recommendations as submitted by the Committee on Educational Relations and 2) encourage the Committee on Educational Relations to submit its report in a more timely fashion so that Regents approvals go forward to the Governor at the same time as the Board of Public Instruction approvals (i.e., prior to July 1). Mr. Wenstrand seconded the motion and it passed unanimously.

The specific recommendations are on file at the Board Office.

C. Curriculum Proposals, University of Iowa.

Proposed Master of Arts Degree Program in Afro-American Studies.

The board was requested to approve the proposal of the university to offer a Master of Arts degree program in Afro-American Studies.

The Board Office reported that at the June board meeting the University of Iowa presented the board with a proposal to offer a Master of Arts degree program in Afro-American Studies. The Interinstitutional Committee on Educational Coordination and the Board Office have reviewed this proposal and now recommended approval. The committee felt that this program is an excellent example of interdisciplinary cooperation which capitalizes upon various areas of strength and depth at the University of Iowa. Further, the committee felt that the program proposal displayed careful, in-depth planning.

MOTION:

Mr. Harris moved the board approve the proposal of the University of Iowa to offer a Master of Arts degree program in Afro-American Studies. Mrs. Belin seconded the motion and it passed unanimously.

Proposed Bachelor of Science Degree in Political Science. The board was requested to approve the proposal of the University of Iowa to offer a Bachelor of Science degree in the field of Political Science.

The Board Office reported that the University of Iowa presented the board with a proposal to offer the Bachelor of Science degree in the field of Political Science in addition to the Bachelor of Arts degree (which is already offered) at the June board meeting. The Interinstitutional Committee on Educational Coordination and the Board Office have reviewed this proposal and recommended that it be approved. The committee agreed with the rationale of the University of Iowa that the methodology which would be stressed in a Bachelor of Science degree program in Political Science would be in accord with the current trends in the field of Political Science.

MOTION:

Mrs. Belin moved that the board approve the Bachelor of Science degree in the field of Political Science as recommended by the University of Iowa. Mr. Harris seconded the motion and it passed unanimously.

Termination of Degree Program - Child Behavior and Development. The board was requested to approve the proposal of the University of Iowa to terminate the Master of Arts and Doctor of Philosophy degree programs in Child Behavior and Development.

The Board Office stated that the University of Iowa presented the board with this proposal at the June board meeting. The Interinstitutional Committee on Educational Coordination and the Board Office have reviewed the university's proposal and found no evidence that the proposal would have an adverse effect upon related programs or upon opportunities for students to pursue their studies. Therefore, the committee recommended the proposal be approved.

Vice President Brodbeck reported that the termination of the degree program would not mean that the university would discontinue to give considerable instruction of programs having to do with early childhood education. The termination would merely mean an organizational change.

MOTION: Mr. Brownlee moved that the proposal of the University of Iowa to terminate the Master of Arts and Doctor of Philosophy degree programs in Child Behavior and Development be approved. Mr. Barber seconded the motion and it passed unanimously.

D. University of Northern Iowa Curriculum Changes. The board was requested to take the following actions:

- 1) Approve the University of Northern Iowa's curriculum changes with the exception of the University of Northern Iowa's proposal for the Master of Fine Arts degree and the Bachelor of Fine Arts degree in which it was recommended that they be deferred pending a study by outside consultants.
- 2) Approve the Board Office's recommendations regarding an interinstitutional study on duplication.
- 3) Approve the development of a "letter of intent" mechanism.
- 4) Consider the role of the University of Northern Iowa in offering terminal degrees.

The Board Office reported that the University of Northern Iowa submitted curriculum changes to the board in May. At that meeting, these proposed changes were referred to the Regents' Interinstitutional Committee on Educational Coordination and the Board Office for review.

Subsequent to the May meeting the proposed changes were accepted by the Iowa Coordinating Council for Post-High School Education at its June meeting as required by Regents regulations. The interinstitutional committee recommended that the university's proposed curriculum changes be approved with the exception of the Master of Fine Arts degree, the Bachelor of Fine Arts degree, and the Master of Arts in Education: Major in Early Childhood Education. The committee also expressed some reservations about the proposed new Minor in Computer Science.

The Board Office indicated that it reviewed the comments of the Coordinating Council, the materials submitted by the University of Northern Iowa, and the recommendations of the interinstitutional committee. The Board Office shared some of the interinstitutional committee's concerns about the four programs noted above and gave the committee's recommendations heavy consideration in formulation of its recommendations which follow:

The Board Office recommended deferral of the university's proposal for the Master of Fine Arts degree with majors in University Teaching-Art and Professional Studio Art and with a conversion program for students wishing to transfer to these new programs from the present Master of Arts program in Art. The Board Office also recommended deferral of the proposed Bachelor of Fine Arts degree in Art.

The Board Office reported that the interinstitutional committee expressed serious reservations about the introduction of the Master of Fine Arts proposals based on several considerations: First, it duplicates a program of long-standing at the University of Iowa; second, the possible reactions of the College of Art Association; third, certain curricular concerns; fourth, the present and projected poor employment situation; and fifth, the cost involved with the program. The Board Office shared many of the concerns of the committee for many of the same reasons that the committee noted in its report. However, the Board Office explored the concerns in great depth with officials at the University of Northern Iowa and felt that the university provided reasonable responses to most of the concerns.

First, with respect to the interinstitutional committee's concern with duplication, University of Northern Iowa officials stressed that there was a difference between the proposed University of Northern Iowa Master of Fine Arts program and the program at the University of Iowa. The University of Northern Iowa feels that its program is actually an alternative to the traditional Master of Fine Arts degree. University of Northern Iowa officials pointed out that there was no indication of the kind of program they were proposing in the official literature published by the University of Iowa. The University of Iowa catalog apparently made no mention of the preparation of Master of Fine Arts candidates for college and university teaching careers nor did the University of Iowa's Master of Fine Arts program description in the College Art Association booklet published recently. The latter publication was prepared to provide comparative information regarding Master of Fine Arts programs across the nation.

Secondly, University of Northern Iowa officials took exception to the interinstitutional committee's comment that the College Art Association is likely to strongly oppose the distinction of the teaching and professional functions of the degree. According to University of Northern Iowa officials, the College Art Association does not claim to be an accrediting body and stated in its recently approved Standards for the MFA Degree the following:

It is not the intention of CAA to provide curriculum outlines and thus undermine the valid principle of diversity in higher education. Credit distribution must be left to individual programs in the belief that they will capitalize on their strengths and minimize their weaknesses in order to provide the soundest education possible.

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University of Northern Iowa officials expressed serious doubt that the College Art Association would come out against any valid degree program.

Thirdly, University of Northern Iowa officials viewed the reference to the "2 one-hour seminars and a practicum" as being a "minimal curriculum" as being erroneous. According to University of Northern Iowa officials, their proposed sequence is a minimum (not maximum) comprised of three one-hour seminars, nine hours of internship, and a minimum of six hours electives--a total of 18 credit hours. Further, the six hours of electives are planned to be carefully advised and recommended are courses currently in existence at the University of Northern Iowa College of Education.

Fourth, with respect to the interinstitutional committee's concern about the present and projected employment situation, University of Northern Iowa officials felt that the problem in the job market for Master of Fine Arts people is not that there are too many prepared but rather, not enough people are properly prepared for teaching opportunities (a major intent of the University of Northern Iowa's proposed program). Also, the University of Northern Iowa officials submitted that they were proposing a program that would give its graduates a much better change in the job market. According to the university officials, the role of the artist in the Studio Art Department has changed and they are attempting to respond to that change by providing practical experience by which a Master of Fine Arts graduate can survive and cope in the new role of the artist/teacher in higher education. While conceding that employment opportunities are limited, the university officials doubted if the employment situation for Master of Fine Arts graduates is any better or worse now than it has been for the past 15 or 20 years.

Fifth, with respect to the interinstitutional committee's concern about program costs and the use of graduate assistants, the University of Northern Iowa staff officials indicated that they had no plans to have graduate students staff undergraduate classes. University officials insisted that the university's art department, with a total of 23 faculty members, would be well prepared to staff these programs. In addition, university officials noted that the Art Department has been able, through the years, to maintain and keep up-to-date equipment. University officials also admitted that there are always some needs in an active department and they noted that these needs will not be generated solely by the introduction of a Master of Fine Arts or a Bachelor of Fine Arts.

The Board Office commented that some of the responses by the university were conflicting with those provided by the interinstitutional committee, thus making it difficult for someone not actively engaged in this profession to fully comprehend the situation. Therefore, the Board Office recommended that it would be in the board's best interest to secure the services of outside peer consultants (i.e., professionals in this academic field). The role of the consultants would be to provide the board with a third, perhaps more objective, perspective of the five concerns noted above, as well as the academic concerns raised by the interinstitutional committee in its response to the Bachelor of Fine Arts which is discussed below. The Board Office felt that it would be possible to assemble a small evaluation team of perhaps three persons who are professionals engaged in this field that, in coordination with the Board Office, could provide the kind of information that would help the board arrive at a fair and informed decision on this matter. Therefore, the

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Board Office recommended that this proposal be deferred until such time as a study of the kind proposed above be undertaken.

Board Office comments relating to the Bachelor of Fine Arts degree were then presented the board. It noted that the interinstitutional committee raised concerns regarding duplication, employment opportunities, and concerns about the quality of the Bachelor of Fine Arts degree based on considerations about the faculty, size and adequacy of the physical plant, and the budget.

The University of Northern Iowa responded that the proposed Bachelor of Fine Arts degree differs from that of the University of Iowa. The University of Northern Iowa's proposed program provided a minimum of 75 hours and through electives a possibility of 90 hours in the major according to university officials. The University of Northern Iowa Art Department already offers a Bachelor of Art in Design and therefore would not be adding duplication to Iowa State, but simply moving that program under the Bachelor of Fine Arts degree. The current University of Northern Iowa Bachelor of Arts program allows for a student to plan a program utilizing a large number of general elective hours. As many as 90 hours already can be accumulated in the major. University of Northern Iowa officials noted that they were simply asking to redefine an already existing, strong Bachelor of Arts program, and award to students the degree that they deserve. University of Northern Iowa officials stated that no new demands would be placed upon staff and equipment because of the initiation of this degree. Any demands that are generated would be generated by the Bachelor of Arts and Bachelor of Fine Arts equally.

The Board Office reported that the national employment situation is encouraging, according to University of Northern Iowa officials. It was noted that there are over 700 state arts agencies across the country with an estimated 1,600 plus to be in existence in the next few years. University of Northern Iowa officials also noted that there are over 3,400 museum and art centers in America with new ones opening every year. In addition, university officials made several references to a recent report that indicated there will be a growth in the arts.

As in the case of the recommendation on the Master of Fine Arts degree proposal, the Board Office recommended that the Bachelor of Fine Arts program decision be deferred until such time as a study can be completed.

Additional comments by the Board Office on the interinstitutional committee's report follow regarding the proposed Master of Arts in Education: A Major in Early Childhood Education. It was noted that while the program would be within the scope of the university's mission, the interinstitutional committee noted that some duplication would occur if the program would be approved. The University of Northern Iowa responded that its program is designed to supplement existing training for the development of teachers in the early childhood education area. This teacher training is represented in the present University of Northern Iowa undergraduate teacher training program leading to endorsement 53. All candidates for this new Master of Arts must possess endorsement 53 upon program completion if they do not enter the program with this certification according to University of Northern Iowa officials.

The Board Office noted that through informal needs assessment, the University of Northern Iowa has received input from those directing target programs in the University of Northern Iowa that this program (the proposed Master of Arts in Education: A Major in Early Childhood Education) is desirable. It will train Master of Arts level teacher-leaders to better administer programs and plan curriculums for young children. The focus would be upon the educator and not the child developer and such individuals need to function in the capacity of testifying to necessary teaching experience for the purpose of continued certification for those teachers working within their programs according to University of Northern Iowa officials. Further training is necessary to exercise roles of educational leadership rather than that of teacher alone.

The Board Office said that university officials pointed out that in terms of marketability, more emphasis is being given at the federal level during each subsequent session of Congress to issues of child care and education and training for child care givers. In response to new federal laws and court decisions mandating expanded and coordinated services for young children, the education and training of professional leadership at the state and local levels is required. It was the feeling of the University of Northern Iowa that this program will react to new mandates before or in concert with the fact, rather than after the fact, as is so often the case. The application of federal Public Law 94-142, passed in November of 1975 and to be initially implemented for fall of 1978, places heavy emphasis upon the unserved area of the preschool - handicapped. This proposed program anticipates the increased demand for educational leaders at the preschool level legislated by this mandate.

The university's greatest concern seemed to emerge from its ability to staff the program as initially indicated. Its projections were based upon a cadre of approximately 30 candidates. With projected decreases in undergraduate enrollment in elementary education in mind, its rotational offerings scheme involving fall and spring semester plus summer session still appears feasible to implement this program with existent staff. University of Northern Iowa officials pointed out that they currently have 2.5 full-time equivalents with responsibility in the early childhood education area. This compares to 1.25 full-time equivalents in this area just one year ago. They were able to accomplish this increase in expertise through the careful recruitment of new faculty to replace those positions left vacant in this division through termination or resignation while adding expertise in Early Childhood Education.

The Board Office noted that University of Northern Iowa officials noted that four of the six required courses of the major beyond the professional core have been taught at the University of Northern Iowa on an experimental basis; two have been taught twice. A total of 24 students have enrolled in these classes. A substantial number of their graduates with endorsement 53 have indicated intent to earn the Master of Arts in Early Childhood Education and would like to do this work at the University of Northern Iowa.

The Board Office reported that the University of Northern Iowa's endorsement program includes elementary education. Its undergraduate program prepares students for teaching in programs for young children. University of Northern Iowa officials noted that its graduates are prepared to plan, organize and administer small-scale programs. The proposed

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University of Northern Iowa Master of Arts program starts with endorsement 53 and prepares leadership for programs at the state, regional and local levels in response to declared needs.

The Board Office agreed that the duplication question raised by the interinstitutional committee was an important one, but noted that in this instance it may be affecting the University of Northern Iowa disproportionately. The Board Office fully agreed that the proposed Major in Early Childhood Education is central to the university's mission. In fact, the University of Northern Iowa may be the best qualified institution in the state to offer this program. It was noted that the interinstitutional committee did not raise any questions regarding the quality of the institution's resources to offer this program. The interinstitutional committee's concern about the preparation of persons at the graduate level didn't seem especially persuasive, either. The offering of graduate programs in areas where there had previously been only undergraduate programs is not unique in higher education. The Board Office also noted that it could not find fault with attempts by persons in this field to improve themselves professionally by seeking additional educational levels. Based on those considerations and the belief that the University of Northern Iowa is probably the most capable institution in the state to offer such work, it was recommended that the Master of Arts with a Major in Early Childhood Education be approved. It was added that if questions do arise, the board should take a hard look at the capabilities of all three universities with respect to where such programs might best be housed.

The Board Office then commented with respect to the proposed new Minor in Computer Science. It noted that the interinstitutional committee supported this offering but cautioned about the possibility of this minor being stretched into a major or higher level program offering. The Board Office reported that it had no indication that the university would intend to expand this into a major or higher offering. The Board Office supported the interinstitutional committee's comments to the extent that such caution is needed.

In conclusion, the Board Office reported that the Master of Fine Arts was the first terminal degree requested by the University of Northern Iowa and as such it raised some important issues. The Board Office reported that it found it difficult to separate a proposal for a terminal degree from consideration of the stated mission of the University of Northern Iowa. Differences of opinion as to the role of the University of Northern Iowa in the offering of terminal degrees underlie a great deal of apprehension and tension among the faculties of the three Regents universities. As a prerequisite to the consideration of these proposals, the Board Office felt that the board needed to address the question of the mission of the University of Northern Iowa in offering terminal degrees. A decision, one way or the other, would provide a clear mandate which the University of Northern Iowa could follow.

The Board Office emphasized that "unnecessary duplication" needed to be defined. It therefore recommended the establishment of an interinstitutional committee which would include the academic vice presidents and Board Office representatives to attempt to develop matters regarding the matter of what constitutes "unnecessary program duplication." The Board Office noted that all of the proposals by the University of Northern Iowa duplicate some program at one or more of the other institutions. The same can be

said about many of the programs at the other two Regents universities. The Board Office felt that it would be unfair to turn down a new program at the University of Northern Iowa when other duplication exists between the institutions.

The problem of communication between the universities was raised. The Board Office reported that there were some problems in both timing and effective communication between the respective departments over the Master of Fine Arts and Bachelor of Fine Arts proposals. The Board Office recommended a "letter of intent" mechanism that would inform some central organization, such as the Board Office, when an institution under the board reaches a point in its program planning that it is seriously considering the possibility of a new or expanded offering. This should be set at a point before resources begin to be committed and before the institution as a whole has committed itself to the proposal. The "letter of intent" would provide notice to the other institutions, thus providing an opportunity for improved interinstitutional communication and even the possibility of interinstitutional cooperation and collaboration in the proposed offering.

In oral discussion, President Kamerick thanked Mr. Richey and Mr. Barak for discussing these proposals with the administration at the university. President Kamerick introduced the following persons from the university staff who were present for discussion: Dean Joseph M. Ruffo, Art Department; Margarette Eby, future Dean of the College of Humanities and Fine Arts; Dean H. Ray Hoops, Graduate College; Associate Professor and Head Ronald D. Ross, Music Department; and Dean Dale Nitzschke, College of Education.

President Kamerick concurred with the Board Office's recommendation for the development of a "letter of intent" mechanism. With respect to the Board Office's recommendation for an interinstitutional study on duplication, President Kamerick also concurred with the Board Office's suggestion. He noted, however, that it might be appropriate to further discuss the committee membership.

President Kamerick said he felt that the recommendation of the Board Office to consider the role of the University of Northern Iowa in offering terminal degrees would be difficult for the university to interpret. President Kamerick said he feels that the addition of a terminal degree would be consistent with the university's role. He added that moving to a higher level would not necessarily mean more North Central Association review for the Master of Fine Arts degree. He noted that if the university would move to the doctorate degree in Fine Arts, it would still need to be reviewed again by the North Central Association.

President Kamerick expressed disagreement with the Board Office's recommendation with respect to the Master of Fine Arts degree and the Bachelor of Fine Arts degree. He commented that the university already is offering the Bachelor of Arts and Master of Arts degrees. He said the university wishes to have the Department of Art accredited by the National Association of Schools of Art. The only university in Iowa that has National Association of Schools of Art accreditation is currently Drake University. He said he hoped that the Bachelor of Fine Arts degree and the Master of Fine Arts degree could be implemented before that accreditation visit is scheduled.

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Dean Ruffo added that if the Bachelor of Fine Arts degree and the Master of Fine Arts degree would be implemented, it would need to be in operation for a certain period of time before a valid accreditation could be accomplished. He suggested the board provide the university the opportunity to run the Bachelor of Fine Arts program and the Master of Fine Arts program, test it, work out some of the problems that may be discovered, and then call in the accreditation team. Dean Ruffo suggested that there might be a six-month delay to get the program in operation, once approved. He noted that quite a bit of study and work has already been accomplished in this area. The move in the Art Department from a Bachelor of Arts degree to a Bachelor of Fine Arts degree would not be an immense leap forward.

Vice President Christensen, speaking as a member of the Interinstitutional Committee on Educational Coordination, said he wanted to caution the board on a couple of recommendations presented by the Board Office. He said the committee was concerned that the board might set a precedent if consultants would be hired to study curriculum changes proposed by the institution. He said the employment of consultants for such purpose could change the whole format of looking at institutional program proposals.

Vice President Chrisensen commented with respect to program duplication and indicated that the Committee on Educational Coordination reports to the board information about same. He added that informally the institutions have been apprising each other of programs they are starting that may develop into something. He noted that it is very important that there is a coordinated effort there. Vice President Christensen commented that there really isn't any budgetary instrumentality for funding new programs at present. Consequently, the institutions must resort to curriculum renovations, instead. He added that he didn't know of any brand new programs initiated in Regents institutions in the past ten years. Regent Shaw encouraged more effective utilization of resources for curriculum renovations.

Regent Bailey expressed reservations, too, about the proposal of the Board Office to hire outside consultants to review the proposed curriculum changes at the university. He recommended the review be done by the institutions, the board, the legislature, and the Board Office. He suggested a state-wide type of conclave to consider all of higher education. Regent Bailey said he didn't feel that outside consultants would be as well informed about Regents' curriculums as would be desired.

Regent Bailey commented with respect to the Board Office's recommendation for the development of a "letter of intent" mechanism. He suggested that matters such as the University of Northern Iowa's proposals come before the board at an earlier stage so that input can be made at the board level before things happen to the point where it looks as though the institution is being undercut or being hurt by not approving action that has come to the board in almost final form.

Regent Harris commented about the accreditation of the Master of Fine Arts degree and the Bachelor of Fine Arts degree. He noted that even if the board granted approval to the university for these programs,

the accrediting agency could disapprove same. President Kamerick noted that while professional accreditation might not be granted, the programs could still continue. In any case, however, if the accrediting agency wouldn't approve the proposed Master of Fine Arts degree program and the Bachelor of Fine Arts degree program, the university would discontinue the programs. President Kamerick commented that there would need to be at least one graduating class or maybe even two before the site visit could be scheduled. President Petersen indicated that the site visit, then, could be conducted at the earliest in four or five years if the programs are approved. Regent Belin said if the Master of Fine Arts degree would be initiated this fall, the first class to graduate would be in 1979-80. The site visit could be scheduled in 1981 and 1982.

Mr. Richey noted that lack of accreditation for a program does not necessarily mean that the program need be dropped. Mr. Richey said that there are several degrees at the universities for which accreditation has not been sought.

Dean Hoops commented that the student body at the university is there, ready to pursue the Master of Fine Arts degree. He said that students would not need to be recruited for such course.

Mr. Richey spoke with respect to the role and scope of the University of Northern Iowa. He said he recalled the time that the State College of Iowa became the University of Northern Iowa. At that time there was a lot of talk that the future role of the university would be one of a limited scope. No one specified what that meant. Mr. Richey said he assumed that "limited scope" meant consideration of authorization for a limited number of doctorates and terminal degrees at the university, being careful to make sure the university maintains the quality of undergraduate education.

Mr. Richey said the "letter of intent" proposed by the Board Office would simply be a means to formalize the institutional intentions with respect to new programs. He noted, however, that he realizes how difficult it is within an institution to determine whether it is intending to come in with a program proposal.

Mr. Richey said the task of setting up an interinstitutional study on duplication would be a very difficult or perhaps impossible task to carry out in terms of setting up guidelines as to what is permissive duplication or what is unnecessary duplication. He said, however, that it would be helpful to have some guidelines established so the institutions could recognize those in developing program proposals.

Mr. Richey stressed that the board has recognized that the University of Northern Iowa has to broaden its offerings, that its traditional role of teacher education is too narrow at this point. He suggested that the university maintain its high standards of high quality by hiring consultants to study the Bachelor of Fine Arts and Master of Fine Arts degrees.

Regent Belin asked for information as to the types of programs that are not accredited and those that never sought accreditation. President Boyd

responded that there is an increasing amount of proliferation of accreditation which is taking an enormous amount of money from the institutions. He noted it also has an impact on the autonomy of the institutions. President Boyd urged the board not place too much emphasis on accreditation but urged it to do what's right in terms of what it feels is right. He said accreditation does have its biases.

Regent Brownlee noted that the board was speaking about three areas in particular: 1) the quality of the Master of Fine Arts and Bachelor of Fine Arts degree programs, 2) the mission of the University of Northern Iowa, and 3) duplication of programs. He expressed concern that the issue of duplication was raised by the board's own Interinstitutional Committee on Educational Coordination and noted that was a first for that committee to deny an institutional request.

President Kamerick said "permissive duplication" is one of the criteria to be applied to the matter at hand. He said when the board is talking about the Bachelor of Fine Arts, it is talking about another name for a program in the sense that it is already in existence. He noted that the board needed to define "permissive duplication" because the board was clearly not going to eliminate freshman English at the three institutions, nor was it going to have three Ph.D. degrees in Asiatic languages. Somewhere between those two extremes the board would have to decide as an acceptable level for "permissive duplication."

Regent Belin recommended the board approve the Bachelor of Fine Arts degree as she observed that it is a separate matter from the Master of Fine Arts proposal although the board seems to have been discussing these simultaneously. She said the University of Northern Iowa seems to have almost all the courses for the Bachelor of Fine Arts already in place. There would be some configuration and some additional requirements for the Bachelor of Fine Arts degree but many of the requirements are already there. She noted that the terminal degree involved was the Master of Fine Arts degree and recommended the National Association of Schools of Art send persons to review this proposal. President Kamerick responded by saying that Regent Belin's proposal was his "fall back position." He said he would prefer the board approve both the Bachelor of Fine Arts degree and the Master of Fine Arts degree but noted that he saw good reason for the board to act in the way Regent Belin recommended.

Mr. Richey said he noted that "experts" in the field reported that the proposed Master of Fine Arts and Bachelor of Fine Arts programs would require quite a bit more staff, library resources, etc. He said that had an effect on his concept on whether these programs constituted "permissible duplication" or not.

MOTION:

Mr. Barber moved the board disapprove the University of Northern Iowa's proposal for the Master of Fine Arts degree and the Bachelor of Fine Arts degree with the understanding that if the Interinstitutional Committee on Educational Coordination wished to utilize the services of outside consultants to report back to the board at a later time, that would be in agreement with the board. Mr. Shaw seconded the motion.

Regent Bailey said he recommended putting initiative into the Interinstitutional Committee on Educational Coordination to reexamine the Master of Fine Arts degree and the Bachelor of Fine Arts degree rather than referring it to outside consultants. He noted that Vice President Christensen had indicated that the committee didn't have time to consider these two proposals in all aspects. Regent Bailey said he would not want his vote to infer that there was an urging of the university to bring in outside consultants. Regent Barber commented that the motion he made above indicated Regent Bailey's intent.

Regent Harris said he would have to vote negative on the motion before the board. He said he did not approve of the way the motion charged the committee to utilize the services of outside consultants, if necessary. He expressed appreciation to the Interinstitutional Committee on Educational Coordination for the work it did.

President Kamerick noted that he did not like the motion before the board because it represented a serious departure from board policy in the past. He noted that the board has never had consultants reporting to the board in that way. He expressed a variance of opinion from what he understood Regent Bailey to say earlier. He disagreed with the opinion that the board's own faculty should act as "accreditors" for programs at the Regents universities and emphasized the need for outside consultants for accreditation purposes to avoid conflicts of interest. Regent Bailey responded by saying he was not referring to accreditation as such, but, rather, the inception of starting of programs by the interinstitutional committee.

SUBSTITUTE MOTION:

Mrs. Belin moved the board approve the Bachelor of Fine Arts degree program and that it defer action on the Master of Fine Arts degree program with the understanding that when and if that comes back to the board it will come as a new proposition. Mr. Wenstrand seconded the motion.

Regent Shaw commented that the board should not feel that the recommendation of the interinstitutional committee should simply be "rubber stamped" by the board.

Vice President Brodbeck expressed reservations of the University of Iowa to the proposed Master of Fine Arts degree and the Bachelor of Fine Arts. She said the university feels there is some duplication at the baccalaureate

level at the University of Iowa and Iowa State University. While it is not a terribly serious matter, the University of Iowa, however, still had reservations. She added that the Master of Fine Arts degree proposed would present some duplication also, as the University of Iowa's Master of Fine Arts degree has national status.

President Petersen commended the work of the interinstitutional committee by saying it rationally presented the concerns it had to the board. She said she favored Regent Barber's motion over the substitute motion.

Regent Barber said he felt less strongly about the Bachelor of Fine Arts degree in his motion than the Master of Fine Arts. He said he felt the interinstitutional committee has done its job in considering duplication.

VOTE ON SUBSTITUTE MOTION: The motion passed with Regents Barber, Brownlee, and Petersen voting nay.

Discussion then centered on the Board Office recommendation that the board approve the Master of Arts with a Major in Early Childhood Education and that if questions of duplication arise that the board take a hard look at the capabilities of all three universities with respect to where such programs might best be housed. Mr. Richey noted that the Board Office's major reason for the recommendation involved the Major in Early Childhood Education's direct relationship and major mission of the institution in education in the area.

MOTION: Mr. Barber moved the board approve the Master of Arts with a Major in Early Childhood Education and that if questions of duplication arise that the board take a hard look at the capabilities of all three universities with respect to where such programs might best be housed. Mrs. Belin seconded the motion. The motion carried with all members voting aye.

MOTION: Mr. Bailey moved the board approve the proposed new Minor in Computer Science at the University of Northern Iowa. Mrs. Belin seconded the motion and it passed unanimously.

MOTION: Mr. Harris moved the board approve the University of Northern Iowa curriculum changes as recommended with the exception of the individual program recommendations moved and approved above. Mr. Brownlee seconded the motion and it passed unanimously.

MOTION:

Mr. Bailey moved the board defer action regarding the Board Office recommendations on an interinstitutional study on duplication and approval of the development of a "letter of intent" mechanism. He recommended these items be supported with additional information and that they come back to the board for further deliberation. Mrs. Belin seconded the motion and it passed unanimously.

President Petersen commented with respect to the mission of the University of Northern Iowa. She said that unless there would be some objection, it would stand that the University of Northern Iowa is an institution of limited scope with the possibility of offering the doctorate degree in select areas where the strength of the institution indicates that it could do so. She said she felt that position was also upheld by Mr. Richey. There were no objections raised to that position.

E. University of Northern Iowa Name Change - Department of Music. The board was requested to approve the proposed name change for the University of Northern Iowa Department of Music to the University of Northern Iowa School of Music.

The Board Office reported that at the June board meeting the University of Northern Iowa submitted a proposal to the Board of Regents to change the title of the University of Northern Iowa Department of Music to the University of Northern Iowa School of Music. At that time the Board Office recommended and the Regents approved referral of the proposed change in title to the Interinstitutional Committee on Educational Coordination for study and recommendation.

The Committee on Educational Coordination's report on this matter noted that the committee did not speak with one voice on the issue. Administrators and faculty members at Iowa State University did not favor the title change, while those at the University of Iowa felt that the change would be relatively innocuous.

Vice President Christensen expressed four areas of concern regarding the proposed title change for the University of Northern Iowa's Department of Music. The Board Office requested that the University of Northern Iowa respond to the four areas of concern which follow: First, the term "School of Music" implies more autonomy than the designation "Department of Music." The Board Office noted that after thorough study of the School of Music proposal that all University of Northern Iowa governance groups recommended the change in title for this department. It was the University of Northern Iowa's opinion that the "autonomy" issue is one which is more sensitive internally, on the University of Northern Iowa campus, than it should be externally. University of Northern Iowa officials contended that the term "school," widely used to designate music programs at a variety of other comparable institutions, would be appropriate for the University of Northern Iowa. This appropriateness was based on the fact that the university manages its own facility which includes a performance hall seating over 600 which accommodates over 200 performances annually. It was also based on the six academic and performance areas within the present departmental structure.

A second concern raised by Dr. Christensen was that the name change would imply a new higher level of administrative structure would require additional staff and funds. University of Northern Iowa officials responded that they contemplate no drastic changes in their administrative structure as a result of the change in title. They added that the present administrative structure, in operation now for two years, seems to be working effectively, requiring no modifications in the foreseeable future.

A third concern raised by Vice President Christensen was that the department didn't claim to have achieved a higher degree of excellence but it merely viewed the title change as an administrative designation. The response provided by the University of Northern Iowa included a partial list of past accomplishments which indicated that its programs and reputation have an impact on an area broader than normally associated with a department. First, the University of Northern Iowa noted that its graduates can be found in major and metropolitan symphony orchestras, operas/music theater companies, college/university performance and academic faculties, and some of the nation's top graduate schools in music.

In summary, the University of Northern Iowa indicated that the main impetus for the title change was to: 1) recognize past accomplishments of its quality faculty and 2) acknowledge the present scope and mission of the department's offerings. While the Board Office initially had many of the same concerns raised by Vice President Christensen, it felt the university satisfactorily resolved them and recommended approval of the institutional request.

MOTION:

Mr. Brownlee moved the board approve the University of Northern Iowa's request to change the name of the Department of Music to the University of Northern Iowa School of Music. Mr. Harris seconded the motion and it passed unanimously.

President Parks noted that the University of Northern Iowa has a different organizational philosophy than Iowa State University. He said that at Iowa State, the institution has resisted internal pressure to create schools without exception. He said the reason behind that fact is that Iowa State University feels that "schools" create another line of bureaucracy in the institutions. He noted, however, that he did not want to impose that philosophy on other people.

President Boyd said he was troubled about any notion that the availability of accreditation ought to be the determining factor in educational decisions for the Regents institutions.

President Boyd noted that the University of Iowa's health center is organized differently than most universities are. He commented that the university has integrated its health center even though that is not the general trend. He went on to say he understands the need for music in all three institutions but noted there may be different missions for music in the three institutions. He commented that the decision the board makes today could set precedents for similar actions in other areas.

President Petersen and Regent Bailey commended the Committee on Educational Coordination for its ongoing work in regard to these proposals.

ACCREDITATION REPORTS. A. College of Business Administration Programs - University of Iowa. The board was requested to accept the notice of accreditation of the University of Iowa's College of Business Administration Programs and commend the university and its College of Business Administration for maintaining and fostering programs in Business Administration which have been found to be of continuing high quality.

The Board Office reported that the continued accreditation of the College of Business Administration by the American Assembly of Collegiate Schools of Business was based on an interim five-year, self-study report of the college and did not involve a team visit to the campus or a detailed report from the accreditation agency.

Vice President Brodbeck indicated that the only concern raised by the American Assembly of Collegiate Schools of Business involved a question of curriculum. The college's curriculum was in compliance with the standards of the American Assembly of Collegiate Schools of Business, but one of the topic areas that the accreditation agency felt should be covered by a particular course was given coverage in portions of several courses at the college. After consideration on this matter, the college decided to begin a separate undergraduate business course which will cover the specific topic area in question.

The Board Office stated that the university and its College of Business Administration can take pride in the continued excellence of the programs of the college and in the fact that this interim accreditation was achieved with only a minor concern being raised.

MOTION:

Mr. Bailey moved the board accept the notice of accreditation of the University of Iowa's College of Business Administration Programs and commended the university and its College of Business Administration for maintaining and fostering programs in Business Administration which have been found to be of continuing high quality. Mrs. Belin seconded the motion and it passed unanimously.

B. University of Iowa Teacher Education Program. The board was requested to accept the report from the Department of Public Instruction on the University of Iowa Teacher Education Program.

The Board Office noted that the State Department of Public Instruction, in conjunction with the National Council for Accreditation of Teacher Education, conducted an evaluative review of the teacher education programs offered by the University of Iowa. This joint visit was approved by the university and had the concurrence of the National Council for Accreditation of Teacher Education.

On May 9, 1977 President Boyd was informed by the State Board of Public Instruction that it had granted approval to the undergraduate and graduate teacher education program offered by the university. This approval is for the five-year period ending August 31, 1982 and calls for annual on-site review of program recommendations.

A summary of the strengths and weaknesses identified in the Department of Public Instruction's report is on file at the Board Office.

MOTION:

Mr. Bailey moved the board accept the report from the Department of Public Instruction on the University of Iowa Teacher Education Program and commended the institution on the quality of this program. Mrs. Belin seconded the motion and it passed unanimously.

C. College of Pharmacy - University of Iowa. The board was requested to accept the notice of accreditation of the baccalaureate program of the University of Iowa's College of Pharmacy by the American Council on Pharmaceutical Education and commend both the university and its college for the program and the continued excellence that has resulted in this level of recognition.

The Board Office reported that the American Council on Pharmaceutical Education recommended some actions which the university will be taking in response to the findings of the evaluation team. The formal report containing action and recommendations is on file at the Board Office.

The Board Office pointed out that the University of Iowa and its College of Pharmacy can take great pride in the baccalaureate program in Pharmacy. The report of the council listed numerous strengths which the council found during its evaluation. The university's pharmacy program is recognized as one of high quality and has shown the results of strong and constructive leadership.

MOTION:

Mr. Bailey moved the board accept the notice of accreditation of the baccalaureate program of the University of Iowa's College of Pharmacy by the American Council on Pharmaceutical Education and commend both the university and its college for the program and the continued excellence that has resulted in this level of recognition. Mrs. Belin seconded the motion and it passed unanimously.

PARTICIPATION OF THE UNIVERSITY OF NORTHERN IOWA IN THE NATIONAL STUDENT EXCHANGE PROGRAM. The Board Office recommended that the board disapprove the participation of the University of Northern Iowa in Plan A of the National Student Exchange Program.

The board was presented in May of 1977 a request from the University of Northern Iowa for membership in the National Student Exchange and for authority to grant in-state tuition status to out-of-state students who would attend the University of Northern Iowa from other member institutions as part of the exchange program. The matter was deferred at the May meeting pending further study of the matter by the Registrars' Interinstitutional Committee on Coordination and the Board Office.

The Board Office presented the board with a copy of a memorandum from Casey D. Mahon, Assistant to the President, University of Iowa. According to Ms. Mahon's memorandum, approval of Plan A would operate to create two different classes of non-resident students: non-residents who pay non-resident tuition (non-participants in the National Student Exchange) and non-residents who pay resident tuition (participants in the National Student Exchange Program). Ms. Mahon stated that it would be axiomatic that any classification which provides benefits to some while withholding benefits to others may be justified if the classification is rational. After reviewing rationale provided by the University of Iowa, Ms. Mahon noted that a basis exists for a court to find that the differential treatment afforded non-resident participants in a National Student Exchange Program vis-a-vis non-residents who are not participants in the program is rational. It follows that Plan A is, arguably, constitutionally permissible.

Ms. Mahon pointed out, however, that the "pluralistic experience" justification could also be used to justify extension of resident tuition rates to all non-residents. Ms. Mahon noted there is no guarantee that Plan A, while facially legal when considered alone, does not carry with it the danger that its implementation may engender litigation. A program which benefits a small group of non-residents may be perceived as unfair by other non-residents not similarly benefited.

Ms. Mahon concluded that because the board has previously relied on cost equalization as a justification for higher non-resident tuitions, it might be prudent for the board to avoid contractual exceptions to the non-resident tuition rules. Numerous exceptions may quantitatively diminish the cost equalization effectuated by resident/non-resident tuition differentials. If this happens, the cost equalization justification on which the board has previously relied will be open to attack in new non-resident tuition litigation.

At the June board meeting the board also requested that the registrars from the University of Iowa and Iowa State comment on the impact of the proposed program. Both of the registrars made statements minimizing the impact of the program while at the same time expressing concerns about the program under Plan A. On the basis of Ms. Mahon's advice and the registrars' concern with Plan A, the Board Office felt it would be unwise to approve contractual exceptions to the non-resident tuition rules, as would be the case with the approval of Plan A of the National Student Exchange Program.

MOTION:

Mr. Harris moved that the board not approve the participation of the University of Northern Iowa in Plan A of the National Student Exchange Program. Mr. Wenstrand seconded the motion and it passed unanimously.

APPOINTMENTS TO ORGANIZATIONS. The Board Office reported that the expiration of the terms of three incumbent board members on July 6, 1977 created several vacancies on organizations to which members of the Board of Regents are appointed.

President Petersen recommended the following appointments be made:

Iowa Public Radio and Television Facility Board (Three-year term)
Regent Belin

Iowa Coordinating Council for Post High School Education (Three-year term)
Regent Slife (Regent Wenstrand as alternate)
Regent Barber (Regent Harris as alternate)

Committee on Mental Hygiene (Three-year term)
Regent Bailey

Iowa State University Memorial Union Board of Directors (Three-year term)
Regent Belin

Iowa State University Alumni Achievement Fund Board of Trustees (Three-year term)
Regent Wenstrand

Ad Hoc Banking Committee (Indefinite term)
Regent Wenstrand

MOTION:

Mr. Bailey moved the board approve the appointments to committees as shown above effective August 1, 1977. Mr. Brownlee seconded the motion and it passed unanimously.

IOWA STATE UNIVERSITY ACHIEVEMENT FUND REPORT. The board was requested to accept the Iowa State University Achievement Fund Report.

The Board Office noted that according to the Achievement Fund Report, financial support from alumni and friends to Iowa State University totaled \$3.1 million in 1976. This record-breaking amount was more than double the previous record of \$1.73 million received in 1975.

The report noted that this money is used for the betterment of Iowa State University through such objectives as student scholarships and loan funds, innovative teaching grants, instructional improvement funds, cultural enrichment programs, distinguished professorships, Cyclone athletics, performing arts, special library collections, renovation of college landmarks, and construction and improvement of major capital projects such as the Iowa State Center and the stadium. In general, the fund provides a vehicle for alumni and friends to help the university maintain or create margins of excellence in areas where state or federal appropriations are unavailable or insufficient.

In absence of objections, President Petersen accepted the Iowa State University Achievement Fund Report with appreciation of the board.

ALLOCATION OF APPROPRIATIONS FOR ACCESSIBILITY OF FACILITIES TO HANDICAPPED. The board was requested to allocate the \$935,000 appropriation for implementation of Phase II of the State-wide Handicapped Accessibility Program as follows:

University of Iowa	\$280,000
Iowa State University	400,000
University of Northern Iowa	225,000
Iowa School for the Deaf	<u>30,000</u>
	<u>\$935,000</u>

As background, the Board Office indicated that the complete plan to make all of the principal academic/administrative space at the Board of Regents' universities and the Iowa School for the Deaf accessible to the physically handicapped was presented to the board last September. Under that plan, it was proposed that some 152 buildings at the universities and seven buildings at Iowa School for the Deaf would by the fall of 1982 be accessible according to the following criteria:

1. One accessible entrance/exit point to each building.
2. Access to all or selected levels of multi-level buildings using elevators, lifts or ramps.
3. One accessible public restroom per building per sex.
4. One accessible water fountain per building.

Total cost of these modifications expressed in 1976 dollars was \$2,685,000. The first appropriation for this purpose was \$500,000 appropriated in 1976. The second appropriation was \$935,000 appropriated in 1977.

The Board Office reported that except for the following noted exceptions, the 1976 appropriation was utilized as presented the board in a table (which is on file at the Board Office):

1. The University of Iowa ran into cost overrun problems in terms of installation of elevators in the Pentacrest buildings. As a result, the restroom modifications had to be deferred until the Phase II program.
2. Iowa State University ran into a similar cost overrun situation with modification of the elevator in LeBaron Hall. This modification has now been funded from the Phase II allocation to Iowa State University.
3. The University of Northern Iowa ran into similar cost overrun situations on installation of a new elevator in Wright Hall. This elevator will also be added to the 1977 allocation for the University of Northern Iowa.

The Board Office added that except for the new elevator installation at the University of Iowa, all building modifications will be complete by early fall.

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The Board Office stated that the board requested of the Governor an appropriation for the second phase of this program of \$935,000. The Governor recommended that amount and the legislature provided appropriations at that level. The allocations recommended were as originally planned in September of 1976.

The board was presented a table indicating how the institutions tentatively plan to utilize their allocations. The University of Iowa would make modifications in 12 buildings. Some changes had to be made in the program to account for the cost overruns on installation of elevators. There is about \$70,000 worth of work originally planned at the University of Iowa which will have to be deferred now to a later year. There is about \$350,000 worth of work which will need to be accomplished at the University of Iowa after the second phase is done.

At Iowa State University some modifications will be made in some nine buildings. Some changes had to be made from the original plan primarily to allow for the inclusion of an elevator in Curtiss Hall. The board originally requested the elevator in the capital remodeling project for Curtiss Hall, but that project was not funded by the legislature. The building has an elevator which has been condemned by the State Labor Commissioner and there is no way the building could be accessible without such an elevator.

It was noted that Iowa State University will have about \$1 million worth of modifications to make after Phase II is completed.

At the University of Northern Iowa nine buildings will be modified for handicapped accessibility. The Wright Hall elevator is on the top of the priority list. While it was originally felt that the University of Northern Iowa program could be completed in Phase II, it now appears that there will be work still remaining in Women's Gymnasium, Commons, and possibly in the auditorium building after the continued life of that building is determined. The University of Northern Iowa will have over \$100,000 worth of work to complete in a later phase.

An allocation of \$30,000 was made to the Iowa School for the Deaf to initiate a program on that campus. The Board Office indicated it would soon have a recommendation for the expenditure of this first phase funding for that school.

The Board Office reported that it has not made a survey of the facilities at the Iowa Braille and Sight Saving School but it will be necessary to initiate a program for that institution because of new Health, Education and Welfare regulations.

The Board Office noted that it had planned to undertake the program for the Board of Regents' institutions in four phases with the last appropriation coming in 1981. That decision may be changed because of the impact of the regulations implementing Section 504 of the Rehabilitation Act of 1973. These regulations require that all institutions receiving federal funds offer equal facilities to handicapped persons within three years of the effective date of the regulations which would require that all facilities be accessible by June 3, 1980. The Interinstitutional Facilities Committee is now examining

the impact of these regulations on the Board of Regents' program and will have a further report on this matter in the fall.

The Board Office estimated that there is about \$2 million worth of work left to be accomplished at the five Regents' institutions when Phase II is completed. This work does not include modifications to physical plant space, to any of the Iowa State University farms, to Lakeside Laboratory, or to Macbride Field Campus. A hard look will have to be taken at the 1979 capital askings of the board for this purpose.

The Department of Health, Education and Welfare has issued a timetable for compliance with the regulations for nondiscrimination on the basis of handicapped. It requires a series of reports to be made by the institutions. There are significant operating costs involved in some areas of compliance such as providing auxiliary aids in the classroom for deaf students, etc. The universities must, for example, by September 1, 1977 make an initial notification regarding the institution's commitment to nondiscrimination on the basis of handicapped. By December 3, 1977, the institutions must complete a transition plan for changes in facilities that are needed to achieve a program accessibility and by June 3, 1978 must complete an institutional self-evaluation of the institution's nondiscrimination program.

MOTION:

Mr. Brownlee moved the board allocate the \$935,000 appropriation for implementation of Phase II of the State-wide Handicapped Accessibility Program as follows:

University of Iowa	\$280,000
Iowa State University	400,000
University of Northern Iowa	225,000
Iowa School for the Deaf	30,000
	<u>\$935,000</u>

Mr. Barber seconded the motion and it passed unanimously.

PROCEDURE FOR APPROVAL OF USE OF "OLD BRICK" SPACE. The Board Office recommended that the board establish a procedure whereby Old Brick Associates can, in accordance with Section 4A of the Stipulation of Settlement, initially request approval for use of space in Old Brick to the Business Manager and Treasurer at the University of Iowa, who is hereby empowered to make decisions based on the interpretation of Section 4A of said Stipulation, provided that Old Brick Associates can appeal the decision made by the Business Manager and Treasurer to the President of the university and, if the matter is still unresolved, the President of the University is authorized to forward the matter with his comments to the executive secretary of the board who will docket the item for consideration by the board. The institution shall provide the board with an annual report on transactions involving tenant approvals and a listing of the current tenants of Old Brick.

The Board Office noted that the board at its May 1977 meeting approved a Stipulation of Settlement in the assignment of the real estate contract on the First Presbyterian Church property in Iowa City to Old Brick Associates. This action represented the culmination of five years of

activity by the State Board of Regents and the University of Iowa to find a method or means under which this sanctuary could be preserved as an historical landmark within the statutory restrictions placed upon the Board of Regents.

The only item remaining open at this time related to Section 4A of the Stipulation of Settlement with said section reading:

The sole purpose of the State Board of Regents in assigning its contract for the purchase of said property to Old Brick Associates and allowing said sanctuary to remain is to permit preservation of said building as an historic landmark and for functions and activities serving the needs of students and citizenry of the local community and the State of Iowa. No portion of the property shall be used, leased, rented, remodeled or otherwise converted for any commercial purpose whatsoever, including but not limited to housing and retail establishments of every kind and description, unless prior written consent therefor is obtained from said Board of Regents.

The Board Office noted the phrase "commercial purpose whatsoever" will probably require further definition. The definition will most probably be formed when Old Brick Associates begin to seek tenants for its property. To avoid a situation whereby this matter would be docketed month after month by the Board of Regents, the Board Office recommended the board delegate authority to the University of Iowa to administer the stipulation, while granting Old Brick Associates the right to appeal decisions made by the university. The procedure recommended took into account the fact that the university is closer to the situation and can give prompt answers to Old Brick Associates. The special legal counsel who drew up the Stipulation of Settlement is also in Iowa City.

The Board Office added that the procedure would allow Old Brick Associates to direct any request for use of space on which there is question of whether or not it falls in the category of "commercial purpose" to the Business Manager and Treasurer at the University of Iowa, who would be empowered to either consent to or deny the request. Old Brick Associates could appeal the decision to the President of the University. If the President were unable to resolve the matter to the satisfaction of Old Brick Associates, the President would then forward the matter with his comments to the executive secretary of the board who then would docket the item for consideration by the board.

Regent Shaw recommended that if this procedure is utilized, a precedent should not be set by it.

Mr. Richey commented with respect to the "delegation" issue and said that the Board Office's recommendation was consistent with other areas of delegation of the board's authority. Those other areas include delegation to execute policies, carry out contracts, etc.

Regent Bailey expressed concern that the board not improperly delegate authority and President Petersen assured Regent Bailey that some matters need to be delegated otherwise the board would be involved in too many routine items at the expense of important policy matters.

President Boyd then indicated that the university would be happy to provide the board with an annual report on transactions involving tenant approvals. He said the university could also list the current requests for space in Old Brick with the board, for board reaction, prior to such time as formal execution of the leases occur.

MOTION:

Mr. Bailey moved the board approve the action recommended as stated above with the understanding that tenant requests as approved are to come back before the board for review before the leases are executed. Mr. Shaw seconded the motion and it passed unanimously.

TEACHERS' SALARY SCHEDULE - IOWA SCHOOL FOR THE DEAF AND THE IOWA BRAILLE AND SIGHT SAVING SCHOOL. The board was requested to approve the proposed teachers' salary schedule for 1977-78 for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School with the understanding that salary premiums for special certification for teachers at Iowa School for the Deaf and the Iowa Braille and Sight Saving School be studied with recommendations incorporated in the proposed Section A of the salary schedule for 1978-79.

The Board Office reported that the pay matrix of Section A was patterned after that used by local school districts for teachers in elementary and secondary schools. The institutions proposed an increase in the beginning rate for teachers with a Bachelor's degree and teacher's certificate with no experience of 4.2% to \$9,204 from \$8,832. The pay matrix was constructed by providing a premium of 4% for the beginning step for an employee with 15 semester credits beyond the Bachelor's degree, 12% for the Master's degree, 16% for the Master's plus 15 semester credits, and 20% for Master's plus 30 credits. Teachers would be eligible for an incremental salary step for each year of service until the maximum for their educational classification is reached. These incremental steps range from 4% down to about 2% as the maximum step is reached.

Mr. Richey noted that during recent years a common salary schedule has been used for both Iowa School for the Deaf and Iowa Braille and Sight Saving School in spite of differences in certification requirements for the two schools. Consequently, the statement that \$108 was allowed for professional certification for teachers at Iowa School for the Deaf was incomplete in Section A of the salary schedule for 1977-78. In order to fit the pay schedule, Iowa School for the Deaf has been granting the \$108 premium for teachers certified with a Bachelor of Arts degree and has been requiring additional education of five credits for the \$252 premium for certification at the Class II level and an additional five credits for the additional \$456 at the Class III, IV and V levels. This practice has been the result of forcing the adoption of a common salary schedule for both Iowa School for the Deaf and the Iowa Braille and Sight Saving School.

In view of the above, Mr. Richey recommended a comprehensive study of the matter during the current year with recommended revisions incorporated in

the pay schedule in Section A for 1978-79 as soon as possible, no later than October.

The Board Office reported that the proposed beginning step of \$9,204 was slightly above the average beginning rate of \$9,196 for school districts throughout the state. The proposed beginning step of \$9,204 may be compared also with \$9,450 for the Vinton Community Schools and \$9,425 for the Council Bluffs and Lewis Central School Districts. The Council Bluffs area is only 2.7% above the proposed beginning rate and 1.5% above the beginning rate for teachers with special certification, which most teachers have at both Iowa School for the Deaf and Iowa Braille and Sight Saving School. The lowest starting rate throughout the state for 1977-78 is \$7,200 and the highest is \$10,300. The institutions reported that the beginning rate of \$9,204 can be funded.

The institutions attempted to raise the pay matrix as much as possible to remain competitive with the local school districts but found that a greater increase would cause funding problems. Application of the pay matrix to teachers' salaries provide increases ranging from 4.1% to 13.8% for Iowa School for the Deaf and 3.2% to 12.7% for Iowa Braille and Sight Saving School. These increases include: 1) adjustment of the pay matrix, 2) movement on the pay matrix without change in education or certification, and 3) movement in the pay matrix due to change in education and/or certification. The median percentage increase amounted to 7.2% and 7.4% for Iowa School for the Deaf and the Iowa Braille and Sight Saving School, respectively. The increases were greater than the average funding by the appropriation of 6.4% due to: 1) additional institutional income, 2) changes in salary savings, 3) changes in individuals in the employee group, and 4) change in the number of teachers on a full-time equivalent basis.

The life insurance provisions were changed from amount of \$5,500 to \$10,000. The sick leave policy was changed to incorporate the provisions on sick leave of House File 634 which reduces accrual rate from 2.5 working days per month to 1.5 and eliminates the maximum accrual. The paragraph on emergency and funeral leave set forth the language adopted for merit system employees. A sentence was added to the personal leave paragraph to allow its use only for personal business which cannot be conducted outside of the working day.

MOTION:

Mr. Bailey moved the board approve the proposed teachers' salary schedule for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School and that salary premiums for special certification for teachers at Iowa School for the Deaf and Iowa Braille and Sight Saving School be studied and recommendations incorporated in the proposed Section A of the salary schedule for 1978-79. Mr. Barber seconded the motion.

Regent Belin asked if there are supplementary salaries for advisers of extracurricular activities. Superintendent Giangreco responded that the Iowa School for the Deaf has a large number of extracurricular activities carried out on a volunteer basis.

3) non-personnel items, and 4) special needs. It was noted that special needs could be reviewed to establish the most urgent priorities.

The Board Office also reported that the capital request made to the 1977 session was for the biennium 1977-79. The total request, as revised, was for \$50,585,000. Legislative response was to fund, through direct appropriations and bonding authority, \$24,210,000 of this request. These amounts do not include the handicapped accessibility program, which was funded at the requested level of \$935,000.

The Board Office analyzed the list of unfunded projects on the board's capital request and concluded that about \$26 million in projects are eligible for resubmission and consideration for inclusion in the 1978 request. The Board Office recommended that except for emergency projects which have surfaced since the biennial request of the board was formulated, the capital request for 1978 be strictly limited to reconsideration of projects in the \$26 million not funded by the 1977 session. It was, in fact, probable that the 1978 request should be substantially less than \$26 million as the Board Office felt that request should be limited to very urgent needs which should not be deferred to the 1979-81 request.

In absence of objections, President Petersen recommended that consideration of the budget for 1978-79 be limited to a review of the Regents' request and the Governor's recommendations already submitted to the General Assembly and that the capital requests be limited to projects which were part of the board's 1977 request but which were not funded by the 1977 session. Said review should emphasize board priorities and any changed circumstances or emergency items.

PROGRAM EXPENDITURES BY INSTRUCTIONAL DEPARTMENT - 1976-77. The board was requested to compile program expenditures for each instructional department by level of instruction every other year starting with 1976-77 cost information.

The Board Office reported that the board submitted a document entitled "Proposal - Program Budgeting - Uniform Budgeting and Accounting," dated October 20, 1975, a copy of which was presented the board. The proposal included the following recommendations regarding program budgeting:

- 1) That departmental program information be developed in the NCHEMS format for instructional departments on the basis of direct cost.
- 2) That the information of item 1, as it becomes available, be developed for internal use by the universities for analysis and reallocation of resources and with a summary format suitable for use by the Board of Regents and other officials in the executive and legislative branches of state government.

- 3) The departmental information would be provided as a supplement to the budget request.

The Board Office stated that costs have been allocated by level of instruction every other year since 1962-63. The Committee of Nine has been reviewing the guidelines for preparation of the unit cost per student by level of instruction during the past several months. Allocation of the direct portion of the cost by level of instruction should enable refinement of the instructional program document to provide unit costs by department by level of instruction for 1976-77. The credits generated by level of instruction for each department also are available for 1976-77. Accordingly, figures based on actual enrollment experience and cost experience should be the basis for a new issue of the program document. It would be desirable, if practical, to incorporate separately budgeted research inasmuch as there is a considerable variation among the three institutions in the proportion of such research.

The Board Office noted that since the program budget document (pilot project) was produced in a limited amount of time, that it be refined on the basis of actual expenditures allocated to each level of instruction for 1976-77. Mr. Richey recommended that such a document be issued every other year because it is not anticipated that changes will merit more frequent documentation. Moreover, preparation of departmental information for each odd fiscal year will interfere less with preparation of the budget request for the biennium and the extensive workload entailed therefor.

Mr. Richey noted that he has discussed with the State Comptroller the desire of the university officials to eliminate the departmental program document and discovered that the State Comptroller strongly desires that the board continue the document. The State Comptroller feels that since the legislature requested such information, the board has a commitment that must be met.

Mr. Richey noted that if the board approved, he would call institutional representatives (Committee of Nine) together to refine analytical procedures and develop a schedule for completion of the departmental statements by January 1, 1978.

Mr. Richey noted that the question has arisen as to whether the program budget documents should be done for the current fiscal year or the past one or for the year for which you are making the budget request. He noted that he deliberately recommended that the budget documents be on a factual basis which would mean preparation for the year completed.

Vice President Moore recommended more time be given to making a decision pertaining to the action recommended of the board. He asked if it would be appropriate to consider this matter with a little more background information, a lot more analysis of the document completed in January to see what value it has had, whether it has provided additional information, and if the board could make a decision at the October meeting. He said he didn't feel that would inflict any serious time loss.

Mr. Richey said he had no objection to a month or two's delay to make sure the board knows the facts. He added that he realizes the institutional concerns with respect to workloads and possible misinterpretation of

materials in the docket. President Petersen then recommended the board defer action on this matter for further consideration of the details.

In absence of objections, President Petersen deferred action on the matter of program expenditures by instructional department for further consideration of details at the October 1977 board meeting.

HOLIDAYS. The board was requested to approve the following schedule of holidays for the 1978 calendar year:

New Year's Day	Thanksgiving Day
Memorial Day	Friday after Thanksgiving
Independence Day	Christmas Day
Labor Day	

Two days to be designated by the head of each institution and two days of paid leave to be accrued as vacation.

The Board Office reported that the proposed holiday schedule differed in two ways from the present schedule. The schedule recommended for 1978 deleted the one additional day during Christmas week that is currently provided and adds two days of paid leave. The net result is an increase in the number of holidays from 10 to 11 and is consistent with what is provided for Regents and state blue collar and security employees under collective bargaining agreements and with what has been provided by the legislature for other state employees who are not covered by collective bargaining agreements.

MOTION: Mr. Bailey moved the board approve the schedule of holidays for the 1978 calendar year as shown above. Mr. Harris seconded the motion.

Assistant Vice President Madden reported that Iowa State University would continue with the ten fixed holidays and add one more "floating" day after a year. He said in the subsequent year Iowa State will go to two "floating days." He noted that this was negotiated in the bargaining position agreement with the bargaining unions for the 1977-78 academic year.

VOTE ON MOTION: The motion passed unanimously.

PAY FOR TIME ON CALL. The board was requested to approve a policy for On Call Assignment and Compensation to be applicable at all institutions for Merit System employees not covered by collective bargaining agreements.

The Board Office reported that the current Regents Merit Rule concerning pay for time on call makes provision for board authorization for the

compensation of employees for time on call, at the request of an institution. At the time that rule was adopted it appeared there were compelling reasons for different policies between or even within Regents institutions, and different policies based on varying needs and other circumstances could be approved by the board under the existing rule. However, events subsequent to the adoption of the current rule have indicated that the policy now recommended can be efficiently and effectively applied at all institutions. It provides the same pay for time on call as is provided in the on call (standby) provisions in the blue collar and security unit collective bargaining agreements. The policy recommended for Merit System clerical and technical employees includes detailed reporting and related procedures for implementation which may be established under the collective bargaining contract provisions.

The on call (standby) provisions in the blue collar and security unit contracts state that:

The Employer will specifically designate those employees who are to be in standby status. An employee who is in standby status is responsible for keeping the Employer aware of his/her whereabouts and shall be immediately accessible by telephone or beeper. The Employer may establish reasonable reporting procedures for the implementation of this Section. An employee in standby status shall receive ten (10) percent of his/her normal hourly rate for each hour in said status.

The Board Office noted that the greatest number of workers who would be affected by the proposed policy for the unorganized are employed at the University of Iowa Hospitals and Clinics where approximately 40 employees would be paid for time on call over weekends, 20 for time on call during the week, and 25 for on call time during holidays. Those employees are in the following Merit System job classifications: Operating Room Technicians, Pharmacy Technicians, Central Sterilizing Assistants, Laboratory Technicians, Cytology Technicians, Radiology Technicians and Respiratory Therapy Technicians. They are presently serving in on call status without compensation. Under the proposed policy they would receive an estimated \$30,000 of premium pay for approximately 75,000 on call hours annually. In addition, at Iowa State a laboratory technician and an x-ray technician would be on call throughout the week, at Iowa Braille and Sight Saving School one structural technician and one Licensed Practical Nurse would receive on call pay. Implementation of the proposed policy can be funded within the existing appropriations for those institutions. It was noted that on call status was not anticipated for any employees at the University of Northern Iowa or the Iowa School for the Deaf during the current fiscal year.

The Board Office stated that when the board approved the current Merit Rule regarding pay for time on call, it was noted that operational efficiencies and savings could be realized by the use of on call procedures in certain situations and that it would be equitable to provide some compensation to employees for the imposition of being on call. Hospitals and other employers in private industry commonly pay for time on call. The recommended policy would provide such compensation under appropriate controls for Merit System employees not covered by collective bargaining agreements.

Mr. Volm reported that there may be instances where specific benefits and policies might vary. The proposed policy for standby pay is consistent with the general concept with what's provided in the collective bargaining agreements. It differs in detail in that special procedures for implementation are spelled out in the proposed policy whereas they aren't so spelled out in the contract provisions.

Mr. Volm said the subject of standby or on call pay is not something new. The existing Merit Rules make provisions for board approval of institutional policies and such policies have been under study and developed for the past year. Secondly, the current Merit Rule does allow for board approval of differing policies for unorganized employees. The Regents' Merit Office has found, however, that the proposed single policy can be sufficiently applied at all institutions. Thirdly, he commented about the State Director of Employment Relations' comments on the proposal. He said Mr. Gene Vernon asked him to convey his concerns to the board.

Speaking for Mr. Vernon, Mr. Volm reported that the state does not intend to provide standby pay for unorganized state employees on the central payroll system. Mr. Volm said he believes that the operations involving unorganized employees at the University Hospitals, in particular, are sufficiently different from operations involving unorganized employees in the state and there is a need and justification for moving ahead with the standby policy for unorganized Regents employees.

Mr. Richey commented that it must be understood that the recommended action is for Regents Merit System employees not covered by collective bargaining agreements. With respect to the point raised by the State Director of Employment Relations, he said that the proposal by the Board Office would be in the interest of effective management of the institutions. Also, the Board Office felt that there is just basic equity between the organized and unorganized employees.

Mr. Richey said it should be further recognized that the State Director of Employment Relations has no responsibility under Chapter 20 of the Code for unorganized employees of the Regents. His legal responsibility comes into effect at the time employees actually do organize.

MOTION:

Mr. Brownlee moved that the board approve the proposed policy for On Call Assignment and Compensation to be applicable at all institutions for Regents Merit System employees not covered by collective bargaining agreements. Mr. Harris seconded the motion.

Regent Shaw said he felt it would be a mistake to attempt to make the same policies for organized and non-organized employees. He said there may be occasions when non-organized employees' benefits are better than benefits bargained for. He said he wanted to maintain a stance of flexibility so that not all policies are alike. He noted that in this particular instance he did not object, however, to making the policies the same for both organized and unorganized employees.

Assistant Vice President Small expressed the strong feelings of the University Hospitals that the proposal would be of great importance to the management of same. The proposal was consistent with the practice in

other hospitals where they were they conferred with the employees in question. Regent Bailey recommended Assistant Vice President Small's remarks be conveyed to State Director of Employment Relations Gene Vernon.

VOTE ON MOTION: The motion passed unanimously.

The policy as approved follows:

"On Call" Assignment and Compensation

I. Policy

Employees eligible for On Call Assignment under this policy shall be general service Regent Merit System staff members not covered by a collective bargaining agreement. Those eligible employees who are scheduled for On Call duty by their department head (or designee) and, as a consequence, required to restrict their whereabouts and activities in order to be available for immediate consultation or return to work, shall receive premium On Call compensation.

II. Definitions

- A. "Required to restrict their whereabouts" means being within immediate radio pager or telephone contact, and, if requested, returning to the hospital and ready to work within 30 minutes.
- B. Staff members scheduled in an On Call status and who fail to respond to initial radio pager/telephone contact, or violate the 30 minute return to work limitation, will be subject to prevailing discipline policy.
- C. If an employee scheduled "On Call" wishes to remove himself/herself from such on call status due to illness or other extenuating circumstances, the employee shall first notify and obtain the expressed approval of his/her supervisor.
- D. "On Call" pay commences with the beginning of the scheduled "On Call" period and terminates with the staff member's completion of the scheduled on call period. Staff members while in "On Call" status are paid at the hourly rate of ten per cent (10%) of their base hourly rate of pay. "On Call" employees who are required to return to work by their supervisor will be paid their regular rate of pay for time actually worked, or three (3) hours, whichever is greater. Overtime compensation and shift differential shall be paid, where applicable.
- E. Time spent in "On Call" status and travel time to and from work shall not be considered as time worked for purpose of computing overtime.

III. Procedures:

Responsibility: Department Head or Designated Representative

Action:

1. Department On Call compliance procedures and scheduling system shall be documented and subject to joint review and approval of the appropriate administrative staff member and personnel officer to ascertain compliance with this On Call policy.
2. Prospective and new staff members will be notified of the potential requirement to accept "On Call" at the time of employment.
3. "On Call" status is initiated only with formal approval of the department head or designee.
4. The staff member will be notified of "On Call" status through regular work schedule notification.
5. The department will maintain a record of each staff member's "On Call" status as it occurs and record each incidence of actual return and departure from assigned place of work. Such record shall be validated with signatures of "On Call" employee and supervisor.
6. Total "On Call" hours and actual "On Call" pay to be received during each pay period will be calculated and recorded on appropriate employee time record or special payroll voucher.
7. Appropriate employee time records or special payroll vouchers will be forwarded to Payroll on the respective payroll cut off dates. A copy will be retained for departmental files.

PROGRESS REPORT ON PERFORMANCE APPRAISALS FOR REGENTS' MERIT SYSTEM EMPLOYEES. The board was presented a report on the progress and status of performance appraisal for Merit System employees.

Mr. Richey stated that in January of 1976 he reported to the board that there was a need for a general review of existing institutional programs of performance appraisal and that such a review should cover matters including:

1. The extent or degree that uniformity between the institutions is necessary or desirable
2. The objectives of performance appraisal programs
3. Methods of appraisal
4. The costs of implementing and maintaining any proposed revisions or new programs.

Mr. Richey added that in January of 1976 he reported that such a review and analysis of performance appraisal programs was a major project which would not be able to be undertaken and completed in the immediate future because of other priorities but that it should be included in the board's long-range plans. In meetings which followed, the Merit System and resident directors tentatively agreed on the the points made below:

Uniformity in approach to performance appraisal for Merit System employees is feasible and desirable.

A performance appraisal program should not be used only to provide a factual basis for wage and salary adjustments. It should also be used to improve communications between supervisors and employees. It should be used to determine training and development needs and to assist individual employees with growth and development on the job. It should also provide a factual basis for other personnel transactions such as promotions, transfers and disciplinary actions.

It was agreed that a method of appraisal that related employee performance to specific job results could satisfy the desired objectives better than more traditional comparative procedures which focus on employee to employee assessment, or the conventional rating forms and check lists which relate employee performance to common standards of assessment.

The cost of implementing and maintaining a new performance appraisal by results program presented more difficult problems. At four of the five institutions it was recognized that a program of the kind desired could not be developed and implemented without an increase in personnel department staff and budget. However, at Iowa State University, the Personnel

Department had already initiated development of such an appraisal program, which it intended to test in its Residence Halls Division.

Iowa State University was asked and agreed to have its test implementation of the program serve as a pilot project for the Merit System and to report the results of the test project to the Interinstitutional Non-Academic Personnel Committee. Shortly after Iowa State University began to train Residence Halls supervisors and employees in the use of the new appraisal program, the Governor's Policy Committee on Training and Development recommended a similar program for state employees which would be developed and implemented with the help of the committee's staff and the staff at the University of Iowa's Institute of Public Affairs. The state program, which also involves descriptive statements of major tasks and responsibilities and the establishment of standards of performance, is now in the process of implementation.

The Board Office indicated that a major difference between the state program and that developed at Iowa State concerns the method for developing task statements. Under the state procedure, supervisors, in consultation with employees, are responsible for writing task statements. Under the Iowa State University plan, Personnel Department staff members, in consultation with supervisors and employees, conduct task analyses and use standardized language in preparing task statements. While that process takes considerably more time, it was felt that the additional effort would provide valuable assistance and future benefits in other aspects of personnel administration.

The Board Office reported that in March Iowa State University personnel representatives reviewed the results of the Residence Halls pilot project with the Non-Academic Personnel Committee. Following considerable discussion, particularly about resources to implement the program, the committee agreed to support the approach recommended by Iowa State, with the understanding that the descriptive task statements developed at Iowa State would be made available for use at other Regents institutions. The committee also recommended that implementation of the program begin with blue collar employees and asked institutional members to review the proposed program with their administrations. The Iowa State University Administrative Board approved the program for use at Iowa State and commended it for all Merit System employees if it was decided that a uniform evaluation program is to be established. Other institutions recognized the merits of the Iowa State plan but expressed serious concern because of the lack of resources to fully implement the program in the immediate future.

Mr. Richey commented that while he shared institutional concerns about staff workloads, he felt that the board needed to begin implementation of an improved performance appraisal program on a Merit System-wide basis. He said it was his intention to ask the Regent Merit Director and the resident directors to proceed to implement the proposed program as recommended by the Non-Academic Personnel Committee.

Mr. Volm reported that much appreciation was due Iowa State University personnel staff, and the Iowa State University professors served as consultants on this project. The primary emphasis of the program was to enhance and facilitate communication and relations between employees and supervisors. Mr. Volm noted that the Board Office intended to proceed to

implement the proposed program unless the board directed otherwise. Mr. Richey added that the state wishes the board to have this performance appraisal in place by July 1 of 1978. Mr. Richey said the State Director of Employment Relations is insistent on this with respect to organized employees.

Assistant Vice President Small noted that the University of Iowa has had lengthy discussions about this topic. She said she feels the university's feelings center around the fact that performance appraisal could provide it with a very sound basis for improvement of its classification system and, given that fact, it would be worth the resources necessary to follow through on the system. She suggested work begin on the blue collar employees who have relatively simple jobs to analyze. She noted, however, that it may take reorganization work on the part of the University of Iowa to accomplish the proposed task. She said the board should not underestimate the time and energy this proposal will take.

Assistant Vice President Madden admitted that there will probably be some problems involved. He noted that one of the difficulties experienced at Iowa State has been in terms of assessing peoples' performance. He said there is a great deal of mobility within the university structure. He said the approach used at the university is the supervisor will sit down with an employee and outline what his/her responsibilities are and at a later date evaluate that person as to whether his/her performance has met what was spelled out initially. Hopefully, the person's performance will continue to improve. He said that while there may be problems, the system proposed is better than the university has had.

In absence of objections, President Petersen accepted the report on the progress and status of performance appraisal for Merit System employees.

FLEX TIME SYSTEM. Mr. Richey reported that legislation was passed mandating a flex time system of working for employees. The original intent of the legislation was basically to give women and others who have other responsibilities an opportunity to be in the work force. The Governor vetoed that bill but immediately issued an executive order setting forth certain principles and directives with respect to flex time policies and procedures for implementation. With the issuance of executive orders, the board has generally adopted its own policy consistent with the executive order.

Mr. Richey said the board will have before it at the next meeting a proposed policy recommendation on flex time consistent with the Governor's executive order. He added that because there is a deadline of September 15 to submit this under executive order, he assumed the board would recognize the proposals for implementation of the policy next meeting. He said that proposals for implementation of the flex time policy adopted by the board would be submitted to the Director of Employment Relations as required by the Governor. He noted that Mrs. Frances Gundrum of the Regents' Merit System is a member of the Governor's Flex Time Resource Committee. She is currently working with the institutions to develop recommendations.

BOARD OFFICE PERSONNEL REGISTER. The board was requested to approve the following Board Office personnel transactions:

Appointments:

Melissa Shipler, temporary emergency minutes secretary, June 15-24, 1977 at \$3.75 per hour

Rose Dawson, temporary summer appointment, July 13- August 5, 1977, maximum 27 hours per week, funded by the federal government under the New Horizon program

Merit Increase:

Ellen Discher, Secretary II, \$8,112 to \$8,476 after annual merit evaluation, effective June 24, 1977.

Resignation:

Dwight S. Wolf, Research and Information Analyst, effective August 18, 1977. Mr. Wolf accepted the position of Assistant to the Provost, Union College, Schenectady, New York.

President Petersen expressed appreciation for the board to Mr. Wolf for his services to the board.

In absence of objections, President Petersen approved the actions reported in the Board Office Register of Personnel Changes.

NEXT MEETINGS.

September 15-16	University of Iowa	Iowa City
October 20-21	University of Northern Iowa	Cedar Falls
November 17-18	Iowa School for the Deaf	Council Bluffs
December 15-16	Iowa State University	Ames
January 19-20, 1978	University of Iowa	Iowa City
February 16-17	Iowa State University	Ames
March 16-17		Des Moines
April 20-21	University of Northern Iowa and Iowa Braille and Sight Saving School	Cedar Falls Vinton
May 18-19	University of Iowa	Iowa City
June 15-16	Iowa State University	Ames
July 20-21	University of Northern Iowa	Cedar Falls

President Petersen commented that it may be possible for some future meetings to be held in a single day rather than two days but recommended board members hold both days open on their calendars.

Regents Barber and Belin noted conflicts in scheduling for the October board meeting. Mr. Richey noted that a change in the October meeting dates could cause problems in terms of budget review schedules. In view of that, President Petersen recommended the October meeting dates remain as scheduled at this time.

ASSOCIATION OF GOVERNING BOARDS MEETING. President Petersen reported that the next Association of Governing Board meeting will be held in Denver, Colorado on October 3-4. She noted that if any board members could attend that 24-hour conference, it would prove to be very helpful. She encouraged those able to attend to inform Mrs. Celia Mininger of the Board Office staff of their plans. She added that Mrs. Mininger will make the necessary travel arrangements.

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

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Thursday, July 28, 1977.

ACADEMIC REVENUE BOND RESOLUTION FOR THE UNIVERSITY OF IOWA. President Petersen called the meeting to order at 11:00 a.m., Central Daylight Saving Time at the Office of the President of the University of Northern Iowa in the City of Cedar Falls, Iowa. The roll being called, there were present Mary Louise Petersen, President, presiding, and the following named members: Bailey, Barber, Belin, Brownlee, Harris, Shaw, Wenstrand. Absent: Slife.

The Board took up for consideration the matter of providing for the advertisement and sale of \$3,140,000 Academic Building Revenue Bonds, Series S.U.I. 1977.

The Board Office reported that the legislature in Senate Concurrent Resolution 30 authorized the issuance of \$15,515,000 in bonds for utility-type projects at the universities. The bonding approved by institution was as follows:

University of Northern Iowa	\$8,775,000
University of Iowa	3,140,000
Iowa State University	3,600,000

At the meeting the board planned to take bids and sell bonds on the University of Northern Iowa issue. Sale of both the University of Iowa and Iowa State bonds would occur on Thursday, September 15, at the University of Iowa.

The first step leading to the sale of those bonds was the adoption at this meeting of a resolution directing the advertisement and sale of that September 15 issue. The University of Iowa bonds to be sold total \$3,140,000 in denominations of \$5,000 each to be dated October 1, 1977 with interest payable January 1, 1978 and semi-annually thereafter on the first two days of January and July of each year and to mature in numerical order of \$165,000 on July 1, 1980 and \$175,000 on July 1 of each of the years 1981 through 1977 inclusive, but with the right reserved to the board to call and redeem the bonds maturing on and after July 1, 1991 upon terms of par and accrued interest plus a premium of 2% of the principal amount of any bonds called for redemption.

The resolution directed the executive secretary to publish notice of this sale at least once not less than seven days prior to the date of sale in the Des Moines Register. As mentioned, sale was scheduled for 11:00 a.m., Central Daylight Savings Time, September 15, 1977.

Paying agents on these bonds are the Treasurer of the State University of Iowa or at the option of the holder at the principal office of the Citibank, N.A., New York, New York, or the Continental Illinois National Bank and Trust Company of Chicago, Illinois.

The University of Iowa will fund these projects: Reconstruction of Boiler #8 for \$625,000; Replace Electrical Substation Serving University Hospitals for \$1,500,000; Boilers #5 and #6 - Controls and Instrumentation for \$120,000; Medical Research Center - Electrical Renovations for \$310,000; Steam Distribution - Complete Westside Loop for \$555,000; Administrative and Legal Charges for \$30,000. Total is \$3,140,000.

The first of these projects to appear before the board for action was the Electrical Renovations - Medical Research Center project which was contained in the Register of Capital Improvement Business Transactions this month.

MOTION:

Whereupon Member Brownlee introduced and caused to be read a resolution entitled "Resolution directing the advertisement and sale of \$3,140,000 Academic Building Revenue Bonds, Series S.U.I 1977," and moved that said resolution be adopted. Member Shaw seconded the motion, and after due consideration the President put the question on the motion and, the roll being called, the following voted:

Aye: Bailey, Barber, Belin, Brownlee,
Harris, Shaw, Wenstrand, Petersen.

Nay: None.

Absent: Slife.

Whereupon the President declared the motion duly carried and said resolution adopted.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of June 1977 were ratified by the board.

STUDENT TEACHING CONTRACTS. The board was requested to approve the contract form proposed by the University of Iowa for the 1977-78 school year and ratify the agreements contracted for the 1976-77 school year. A copy of the form of agreement and schools to be used is on file in the Board Office.

MOTION:

Mr. Bailey moved the board approve the contract form proposed by the University of Iowa for the 1977-78 school year and ratify the agreements contracted for the 1976-77 school year. Mr. Harris seconded the motion and it passed unanimously.

APPOINTMENTS. The board was requested to approve the following appointments:

Dr. Irving Crawford as Head, Department of Microbiology, at the rank of Professor with tenure, effective December 1, 1977.

Edward H. Jennings as Vice President for Finance and University Services. This is a new position combining the duties and responsibilities of the Vice President for Business and Finance and the Vice President for Budget Coordination and University Services. These positions are to be eliminated upon the consolidation of duties. Salary will be as budgeted for 1977-78, effective immediately.

MOTION:

Mr. Bailey moved the board approve the appointments of Dr. Irvin Crawford and Edward H. Jennings as shown above. Mrs. Belin seconded the motion and it passed unanimously.

BACHELOR OF LIBERAL STUDIES. Discussion of this item is found in the general portion of these minutes.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the month of July 1977 had been received by him, was in order, and recommended approval.

The Board Office recommended the following actions be taken by the board:

- 1) Approve the Register of Capital Improvement Business Transactions.
- 2) Reject the bid received on June 30, 1977 on Bid Package #4--Roy J. Carver Pavilion - Neurology and Psychiatry Clinics, Second Floor Completion, as the single bid greatly exceeded the architect's estimate and reject the bid received June 23 on the Patient Registration project for the same reason.
- 3) Approve a transfer of \$4,730 of 1976 capital appropriations from University of Northern Iowa West Campus Storm Sewer - Phase II project, which reduces that project budget to \$75,270 to University of Iowa Oil Spill Prevention Facilities, which increases that project budget from \$50,000 to \$54,730, and which enables the contract for the project to be awarded.

- 4) Amend the present contract with the architectural firm of Durrant, Deininger, Dommer, Kramer, Gordon of Dubuque, Iowa, which provides for architectural services to the Cardiovascular Center Addition to the Medical Research Center to include the academic revenue bond funded project for Electrical Renovations to the same building.

The board was requested to ratify award of the following construction contracts approved by the executive secretary:

University Hospitals - Patient Registration and Visitor Supporting Services
Award to: American Medical Designs, Inc., Oxford, Iowa \$ 31,743.00
(For architectural woodwork construction work)

University Hospitals - Internal Medicine C-32 Inpatient Unit Remodeling
Award to: Burger Construction Co., Inc., Iowa City, Iowa \$113,487.00
(For general work)

University Hospitals - Internal Medicine C-32 Inpatient Unit Remodeling
Award to: Jones Plumbing and Heating, Iowa City, Iowa \$ 58,700.00
(For mechanical work)

University Hospitals - Internal Medicine C-32 Inpatient Unit Remodeling
Award to: Gerard Electric, Inc., Iowa City, Iowa \$ 18,899.00
(For electrical work)

Dental Science Building Waterproofing and Repair
Award to: Knutson Construction Company, Minneapolis, Minn. \$168,340.00

Roy J. Carver Pavilion - Neurology and Psychiatry Clinics - Second Floor Completion - Bid Package #2 - Carpentry and Millwork
Award to: Imperial Woodwork Company, Palatine, Illinois \$101,602.00

Roy J. Carver Pavilion - Neurology and Psychiatry Clinics - Second Floor
Award to: Hoffmeister Company, Niles, Illinois \$ 15,000.00

The Board Office reported that this project received a single bid, which constituted an irregularity. The irregularity, however, was waived by the executive secretary since plans and specifications were made available to three bidders and the other bidders chose not to bid on their own volition.

In addition, Bid Package #2 and #4 have now been bid at three different times. In December, when some 15 packages for the Second Floor Completion project were bid, there were no bids received on Bid Package #4 and a single bid was received on Bid Package #2, but the bid security was in improper form so the bid was not read.

These two bid packages were rebid on June 30. There were no bids received on Bid Package #2 and on Bid Package #4 the single bid received greatly exceeded the architect's estimate. The board was requested to reject the

single bid received on June 30 on Bid Package #4. Both Bid Package #2 and Bid Package #4 were rebid on July 20 and awards were made by the executive secretary under date of July 21.

The following construction contract actions were recommended for approval:

University Hospitals - Obstetrics and Gynecology Offices Remodeling
Award Recommended to: Jacobson Construction Company,
Cedar Rapids, Iowa \$ 29,495.00

Campus Sign Program

The Board Office reported that in April of 1977 the board approved a \$90,000 project funded from University RR&A. This project is intended to install a system of signs on the campus to aid campus visitors in the location of their destination. The bids were scheduled to be taken on this project on June 20, but no bids were received. The university now proposed to solicit quotations through the purchasing department for this work. At this time, the university will eliminate the installation of Type 2 and 4 signs installed on city right-of-way and will rebid those signs at a later date. The remainder of the signs have an installation cost of under \$10,000.

Carver Pavilion - Access Roads and Parking Ramp #2 - Site Development - Phase I

Award Recommended to: Pleasant Valley Orchards and Nursery,
Inc., Iowa City, Iowa \$ 26,499.90

The Board Office reported that in this instance, award was made to other than the low bidder. However, the apparent low bidder submitted an incomplete and altered bid form. After analysis by the project architect and by the university, the apparent low bidder was disqualified and the contract was awarded to the only other bidder.

Hawkeye Oil Spill Prevention

Award Recommended to: AAA Mechanical Contractors, Inc.,
Iowa City, Iowa \$ 24,771.00

Oil Spill Prevention Facilities

Award Recommended to: Wendler Engineering and Construction,
Inc., Amana, Iowa \$ 34,730.00

Roy J. Carver Pavilion - Neurology and Psychiatry Clinics - Second Floor Completion - Bid Packages #2 and #4

The Board Office reported that no bids were received when bids were opened on June 30 on Bid Package #2 and a single bid was received on Bid Package #4 for \$39,475.00, which compares to an architect's estimate for that package of \$10,500.00. As a consequence, the Board Office recommended the bid be rejected.

University Hospitals - Patient Registration and Visitor Supporting Services - Complete Construction

The Board Office stated that this project was approved by the board earlier this year in the amount of \$214,500 funded by University Hospitals Building Usage Funds. Bids were taken on June 23. A single bid was received. The base bid came in at \$356,800, which compared to an engineer's estimate of \$193,300. The university recommended that this bid be rejected and the project be rebid at a later date.

The following revised or amended project budgets were recommended for approval:

University Hospitals - Obstetrics and Gynecology Offices Remodeling

Source of Funds: University Hospitals Building Usage Funds \$ 30,500.00
The Board Office reported that the university explained that the relatively close grouping of three base bids suggest that the original estimate for construction was too conservative. The scope of the project was not increased. Original budget was \$24,800.00.

Hawkeye Oil Spill Prevention

Source of Funds: Dormitory Improvement Reserve Funds \$ 31,421.00
The Board Office reported that this project was started in 1975. The original cost estimate was done in March of 1976 and updated in October of 1976. The final engineering design work showed that total sheeting and extra large foundation were needed to ensure a reliable design. Because the additional cost estimate at that time was within the contingency range, the budget revision was held until the bids were received. Original budget was \$27,650.00.

Oil Spill Prevention Facilities

Source of Funds: 1976 Capital Appropriations \$ 54,730.00
The Board Office reported that the additional \$4,730 in 1976 capital appropriations is realized through a reduction of a like amount in the project West Campus Storm Sewer--Phase II at the University of Northern Iowa. That project has had its contract awarded and funds can be released to the extent required to support the increase in the University of Iowa project. The West Campus Storm Sewer budget will be reestablished at \$75,270, while the Oil Spill Prevention budget will be reestablished at \$54,730. Original budget was \$50,000.00.

The following new projects were recommended for approval:

King Parasitology Laboratory Addition - Iowa Lakeside Laboratories

Source of Funds: National Science Foundation Grant \$ 45,000.00

University Hospitals - Social Services and Systems Offices Remodeling

Source of Funds: University Hospitals RR&A \$ 34,300.00

University Hospitals - Surgery Visitors Waiting Room Remodeling

Source of Funds: University Hospitals RR&A \$ 43,500.00

Medical Research Center - Electrical Renovations

Source of Funds: Academic Revenue Bonds (to be sold September 15, 1977) \$310,000.00

This is one of the projects to be funded from the \$3,140,000 in academic revenue bonds to be sold for the University of Iowa on Thursday, September 15.

The University of Iowa requested the board approve the project and the preliminary budget and selection of a project architect, Durrant, Deininger, Dommer, Kramer, Gordon of Dubuque, Iowa. The university also requested approval of an amendment to the contract for architectural services for the Medical Research Center - Cardiovascular Addition, to include the architectural services for this project so that there is coordination between these two projects. Durrant, Deininger, Dommer, Kramer, Gordon's 84

maximum of \$40,000 for the Cardiovascular Addition project would be increased to \$58,000 to provide for the additional services.

MOTION:

Mr. Bailey moved the board: 1) approve the Register of Capital Improvement Business Transactions for the month of July 1977; 2) reject the bid received on June 30, 1977 on Bid Package #4 - Roy J. Carver Pavilion - Neurology and Psychiatry Clinics, Second Floor Completion, as the single bid greatly exceeded the architect's estimate and reject the bid received June 23 on the Patient Registration project for the same reason; 3) approve a transfer of \$4,730 of 1976 capital appropriations from University of Northern Iowa West Campus Storm Sewer - Phase II project, which reduces that project budget to \$75,270 to University of Iowa Oil Spill Prevention Facilities, which increases that project budget from \$50,000 to \$54,730, and which enables the contract for the project to be awarded; 4) amend the present contract with the architectural firm of Durrant, Deininger, Dommer, Kramer, Gordon of Dubuque, Iowa, which provides for architectural services on the Cardiovascular Center Addition to the Medical Research Center to include the academic revenue bond funded project for Electrical Renovations to the same building; approve the construction contracts recommended by the executive secretary and the construction contract actions recommended by the Board Office; approve the revised project budgets; approve the new projects; and authorize the executive secretary to sign all necessary documents. Mr. Barber seconded the motion and it passed unanimously.

TENANT PROPERTY RENTALS. The board was requested to approve tenant property rental rates as proposed by the University of Iowa.

The Board Office noted that rental rates for tenant properties are set at levels felt to be comparable for similar facilities available in the surrounding community. The University of Iowa proposed increases for 128 of the 157 rental properties. The proposed increases range from \$5 to \$50 per month and will increase the income realized from these properties by \$12,660. The proposed changes in rental property rates will realize an approximate 6.4% increase in total rental property income.

The institution reported the following changes in tenant property facilities have been made since July 1, 1976:

Delete:

303 Melrose - Now being used as Afro-American Cultural Center

Add:

220 Melrose - acquired by purchase
Oakdale Reception Cottage Rooms 201, 202, 203 & 204 -
Inadvertently omitted from previous report

130 Grand Avenue Court and 302 Melrose are to be converted from single family dwellings to student coop housing.

Vice President Jennings commented that the tenant property rental rates are not intended to raise money but just attempt to "break even" at the university. He noted that most of the units are used for temporary housing while a new staff or faculty member gets acclimated to the community. He added that the typical tenant in one of these residences would not be allowed to live there longer than a year. President Boyd noted that the rental rate goes up the second year to encourage tenants to relocate. He commented that most of the properties are being held by the university because they are contiguous to the campus and may be used at some later time for academic purposes or demolished to site academic buildings.

MOTION:

Mr. Bailey moved the board approve the tenant property rental rates as proposed by the University of Iowa for the year September 1, 1977 through August 31, 1978.

Mr. Wenstrand seconded the motion and on roll call the following voted:

AYE: Bailey, Barber, Belin, Brownlee,
Harris, Shaw, Wenstrand, Petersen.

NAY: None.

ABSENT: Slife.

The motion carried.

JOHN F. MURRAY FUND. The board was requested to accept the report on the John F. Murray Fund for the quarter ending June 30, 1977 and ratify the changes made thereto.

In absence of objections, President Petersen accepted the report of the John F. Murray Fund and ratified the changes for the quarter ending June 30, 1977.

LAURENCE R. FAIRALL TRUST - RESOLUTION. The board was requested to adopt a resolution regarding the Laurence R. Fairall Testamentary Trust.

MOTION:

Mrs. Belin submitted the following resolution regarding the Laurence R. Fairall Testamentary Trust and moved its adoption. Mr. Shaw seconded the motion and it passed unanimously.

WHEREAS, the Last Will and Testament of Laurence R. Fairall, deceased, which was admitted to probate in the District Court of Iowa in and for Johnson County on March 23, 1973, established the Laurence R. Fairall Testamentary Trust and nominated the Vice President for Business and Finance (or his successor in duties) of the University of Iowa, or his successors in office, and the State Board of Regents, or their successors in office, as Trustees of said trust; and

WHEREAS at the time said Will was admitted to probate and at the time of appointment of the Trustee of said trust, the State Board of Regents was empowered to accept and administer trusts generally pursuant to the provisions of the Iowa Code Section 262.9(6) but was not a person or entity qualified to be appointed as a fiduciary pursuant to the provisions of Iowa Code Section 633.33; and

WHEREAS on April 25, 1975, the District Court of Iowa in and for Johnson County entered its order appointing Elwin T. Jolliffe, the then serving Vice President for Business and Finance of the University of Iowa, as Trustee without bond of the Laurence R. Fairall Testamentary Trust; and

WHEREAS the said Elwin T. Jolliffe retired as Vice President for Business and Finance of the University of Iowa as of June 30, 1977, and

WHEREAS Iowa Code Section 262.9(6) has now been amended to provide that, notwithstanding the provisions of Iowa Code Section 633.33, the State Board of Regents may act as a trustee of trusts accepted and administered by said Board; and

WHEREAS effective on and after July 1, 1977, the duties of the Vice President for Business and Finance of the University of Iowa have been rearranged to provide that the duties of such office heretofore performed with respect to administering trusts have been assigned to the Business Manager and Treasurer of the University of Iowa so that to such extent the Business Manager and Treasurer is a successor in duties to the Vice President for Business and Finance; and

WHEREAS the State Board of Regents deems the Laurence R. Fairall Testamentary Trust to be beneficial to the University of Iowa,

NOW, THEREFORE, the State Board of Regents duly adopts the following resolutions:

RESOLVED that the State Board of Regents accepts the Laurence R. Fairall Testamentary Trust and together with the Business Manager and Treasurer of the University of Iowa will serve as Trustees in the administration thereof.

FURTHER RESOLVED that the State Board of Regents does hereby designate and empower the Business Manager and Treasurer of the University of Iowa to act as agent on its behalf in the performance of its duties as Co-Trustee in the administration of the Laurence R. Fairall Testamentary Trust, granting to said Business Manager and Treasurer all of the authority, power and discretion contained in the Last Will and Testament of Laurence R. Fairall, deceased.

LEASE RENEWAL. The board was requested to approval renewal of the lease between the University of Iowa and Marycrest College.

The University of Iowa recommended continuation of the leased property by the board from Marycrest College for operation in Davenport of practicum opportunities in the University of Iowa School of Social Work Program. The lease period is from July 1, 1977 through June 30, 1978. The terms are essentially the same as in the previous year except for a 10% increase in the monthly rental rate to \$231 from \$210. The increase in rental rate is the first increase since 1973-74.

MOTION:

Mr. Bailey moved the board approve renewal of the lease between the University of Iowa and Marycrest College. Mr. Harris seconded the motion and on roll call the following voted:

AYE: Bailey, Barber, Belin, Brownlee,
Harris, Shaw, Wenstrand, Petersen.

NAY: None.

ABSENT: Slife.

The motion carried.

LEASE RENEWAL. The board was requested to approve renewal of the lease of property between the University of Iowa and Drake University.

The University of Iowa recommended continuation of the leased property by the board from Drake University for the Des Moines operation of the University of Iowa School of Social Work Master of Social Work Program. The lease period is from July 1, 1977 through June 30, 1978. The terms are essentially the same with the exception of a 12.4% increase in the monthly rental rate from \$646.66 to \$726.92. The records of this lease reveal that substantial increases in the rental rate have occurred each year that the lease has been renewed, as follows:

1974-75	13.2%
1975-76	11.5%
1976-77	15.0%
1977-78	12.4%

The Board Office noted that the cumulative increase since 1973-74 amounts to 63.2%.

Discussion was raised about the rental cost of \$726.92 and it was noted that that figure includes janitorial service, all utilities except telephone, and equipment rental and library privileges.

MOTION:

Mr. Bailey moved the board approve renewal of the lease of property between the University of Iowa and Drake University. Mr. Wenstrand seconded the motion and on roll call the following voted:

AYE: Bailey, Barber, Belin, Brownlee,
Harris, Shaw, Wenstrand, Petersen.

NAY: None.

ABSENT: Slife.

The motion carried.

PROPERTY LEASE. The board was requested to approve a lease of property at the University of Iowa to the Iowa Health Systems Agency, Inc.

The university requested approval for the lease of space in the Oakdale Campus within the Oakdale Hospital to the Iowa Health Systems Agency, Inc. The lease is for a period of three years commencing October 1, 1976, and terminating September 30, 1979. The university may cancel the lease upon giving six months written notice.

The rental rate for the 883 gross square feet is \$2.50 per gross square foot, payable in monthly installments of \$184.00. The total rental for the term of the lease is \$6,622.50. All utilities will be provided by the university, with the exception of telephone service.

The Health Systems Agency, Inc. will use and occupy the leased premises only for general office and conference purposes.

MOTION:

Mr. Harris moved the board approve the lease of property at the University of Iowa to the Iowa Health Systems Agency, Inc. Mrs. Belin seconded the motion and on roll call the following voted:
AYE: Bailey, Barber, Belin, Brownlee, Harris, Shaw, Wenstrand, Petersen.
NAY: None.
ABSENT: Slife.
The motion carried.

FINAL BUDGETS FOR 1977-78. The board was requested to approve the 1977-78 final budgets as proposed by the institution:

General University	\$94,381,093
University Hospital	63,438,594
Psychiatric Hospital	4,840,011
Hospital School	2,695,325
Oakdale Campus	1,656,545
State Hygienic Laboratory	1,812,750

The Board Office reported that the final budgets proposed by the institution contained only minimal revisions to the preliminary budgets previously approved by the board. The basic change made to all of the budgets reflected the prorated annualization adjustment of 1976-77 salary increases unfunded by H.F. 634.

General University

The Board Office noted two adjustments were made to the general university final budget. The first related to the revised annualization adjustment of the 1976-77 salary increase. This change reduces the amount of funding available for general service staff salaries in accordance with the prorated adjustment of the annualized cost of 1976-77 salary increases.

The other adjustment identifies \$30,000 allocated from Senate File 214, Section 6, for continuing education. The proposed expenditure will be used to provide professional and scientific salaries for positions supported by this funding and to allocate \$5,000 to general expense.

July 28, 1977

The Board Office reported that there is a budgeted fund of expense to be distributed, principally as graduate assistant funding, other than that budgeted in the individual departments of \$933,784, which is approximately the same amount as provided in 1976-77. The amount budgeted for lapsed salaries is approximately 1.7% of the total budget.

It was noted that departmental budget lines specified for graduate assistant funding were not included in the tabulation of unfilled positions. It was assumed that many of those positions will be filled during the course of the year and it was apparent that when the budget was prepared the colleges do retain a margin of flexibility to allow for resource shifts determined by enrollment demand and program needs.

The institution reallocated \$605,000 to accommodate the reduction in state funding of losses of federal funds in the 1977-78 base relative to 1976-77. This reduction has been accomplished by internal reallocation of funds in the amounts of \$163,000 from general expense, \$72,000 from equipment, \$13,000 from library books, \$77,000 from RR&A and \$280,000 from collegiate reallocation.

It was noted that the implications of the fund shifts from equipment and RR&A which were requested on a formula basis should be understood. The formula will restore the amounts shifted and thereby result in an increase in budget base relative to the other institutions. Moreover, the shift in funds from equipment and RR&A reduces funding for these purposes from that provided by the Governor's recommendation in an attempt to correct deficiencies.

University Hospital

The final budget indicated the reduction to general service staff salaries adjusting for the unfunded annualization cost of 1976-77 salary increases.

Psychiatric Hospital

The final budget statement showed the reduction to salaries accounting for the allocation of the unfunded annualization for 1976-77 salary increases.

Hospital School

The final budget summary statement identified the allocation of the additional annualization funding for 1976-77 salary increases to the various employee salary categories.

Oakdale Campus

The only change to the final budget from the preliminary budget involved the additional allocation of funding for the annualization of general service staff salaries.

State Hygienic Laboratory

The summary statement identified as a change to the final budget the additional allocation of funding for the annualization of general service staff salaries.

The university also provided for approval the proposed annual budget for 1977-78 for Dormitories and Dining Services.

MOTION:

Mr. Brownlee moved that the board approve the 1977-78 final budgets as proposed by the institution:

General University	\$94,381,093
University Hospital	63,438,594
Psychiatric Hospital	4,840,011
Hospital School	2,695,325
Oakdale Campus	1,656,545
State Hygienic Laboratory	1,812,750
Dormitories and Dining Services	2,238,761

Mrs. Belin seconded the motion and it passed unanimously.

Mr. Richey reminded members of the board that there was a difference of opinion with respect to use of federal fund appropriations for 1977-78. Mr. Richey said this matter has been discussed with the Interinstitutional Budget Committee and it has been recommended that the board set the policy no later than the October meeting when it reviews the budgets for 1978-79. By that time the necessary consultation with the State Comptroller will have taken place.

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Thursday, July 28, 1977.

SALE OF \$3,600,000 STATE BOARD OF REGENTS, STATE OF IOWA, IOWA STATE UNIVERSITY ACADEMIC BUILDING REVENUE BONDS, SERIES I.S.U. 1977. President Petersen called the meeting to order a few minutes after 11:00 a.m., Central Daylight Time, Thursday, July 28, 1977, in the Board Room of Gilchrist Hall, University of Northern Iowa, Cedar Falls, Iowa. The roll being called, there were present Mary Louise Petersen, president, in the chair, and the following board members: Bailey, Barber, Belin, Brownlee, Harris, Shaw, Wenstrand. Absent: Slife.

The Board took up for consideration the matter of providing for the advertisement and sale of \$3,600,000 Academic Building Revenue Bonds, Series I.S.U. 1977.

The Board Office reported that the first step leading to the sale of those bonds was the adoption at this meeting of a resolution directing the advertisement and sale of that September 15 issue. The Iowa State University bonds to be sold total \$3,600,000 in denominations of \$5,000 each to be dated October 1, 1977 with interest payable January 1, 1978 and semi-annually thereafter on the first two days of July and January of each year and to mature in numerical order \$200,000 on July 1 of each of the years 1980 through 1997 inclusive, but with the right reserved to the board to call and redeem the bonds maturing on or after July 1, 1990 upon terms of par and accrued interest plus a premium of 2% on the principal amount of any bonds called for redemption.

The resolution directed the executive secretary to publish notice of this sale at least once not less than seven days prior to the date of sale in the Des Moines Register. As mentioned, the sale will occur at 11:00 a.m., Central Daylight Saving Time, on September 15, 1977.

Paying agents on these bonds are the Treasurer of Iowa State University or at the option of the holder at the principal office of the Citibank, N.A., New York, New York, or the Continental Illinois National Bank and Trust Company of Chicago, Illinois.

The Iowa State University issue will fund these projects:

Chilled Water System Additions (including a new centrifugal chiller and cooling tower)	\$2,620,000
Breeching Extensions - Steam Generators #5 and #6	150,000
Repair Turbine Generators #1 and #4	140,000
Miscellaneous Utility Extensions	290,000
Sanitary and Storm Sewers	85,000
Steam Tunnels and Condensate Returns	160,000
Power Factor Improvements	120,000
Administrative and Legal Charges	35,000
TOTAL	<u>\$3,600,000</u>

The Board Office noted that the board gave approval to the Chilled Water System Additions project at its June 16-17 meeting and authorized a contract with Brown Engineering Company of Des Moines to act as engineers on the project. It was noted that the project for Power Factor Improvements was found in this month's Register of Capital Improvement Business Transactions.

MOTION:

Whereupon Member Belin introduced and caused to be read a resolution entitled "Resolution directing the advertisement and sale of \$3,600,000 Academic Building Revenue Bonds, Series I.S.U., 1977," and moved that said resolution be adopted. Member Bailey seconded the motion, and after due consideration the President put the question on the motion and, the roll being called, the following voted:

Aye: Bailey, Barber, Belin, Brownlee,
Harris, Shaw, Wenstrand, Petersen.

Nay: None.

Absent: Slife.

Whereupon the President declared the motion duly carried and said resolution adopted.

QUADRANGLE REMODELING PROJECT. The board was requested to: 1) hear a presentation of preliminary plans by the project architects, Frevert-Ramsey-Drey of Des Moines, Iowa, 2) approve preliminary drawings and the project description, and 3) grant authority to proceed with final drawings and specifications, subject to the scope of the project being defined and the amount of the request for funding to the 1978 Legislative Session being determined.

The Board Office reported that the 1976 legislature appropriated \$125,000 in planning funds for Phase I of the Quadrangle Remodeling project. In October of 1976 the firm of Frevert-Ramsey-Drey, Architects and Engineers, Inc., of Des Moines was selected as project architects.

The Board Office reported that when the Veterinary Medicine College moved to new space, a total of 188,118 gross square feet was vacated on central campus. Determination was made that 170,848 gross square feet of that total could be remodeled at a cost of about half that of building new space. The project was divided into two phases of approximately 85,000 gross square feet each. The request to the 1977 legislature was for construction of Phase I in the amount of \$2,035,000, planning funds for Phase II in the amount of \$165,000, and construction of Phase II in the amount of \$3,135,000, making a total project cost for remodeling the 170,000 gross square feet of \$5,335,000 (not including the original \$125,000 appropriated in the 1976 session). It was understood that the division of the project into 85,000 gross square foot segments would not remodel all of the space in what is known as the Veterinary Quadrangle, but that the \$2,035,000 requested for Phase I construction would complete as much space as possible of the Quadrangle with the rest of the Quadrangle remodeling coming under the second phase of the project.

The Quadrangle, consisting of three buildings, includes first the original Quadrangle group of 68,656 gross square feet. In the 1954-56 period, the Veterinary Diagnostic Laboratory was built across the entire north side and connected directly with the northeast and northwest units of the original structure. It has a basement and two stories with a gross footage area of 29,634. The final unit was the Biomedical Engineering Laboratory built as a wing on the southwest corner of the Quadrangle. This unit was completed in 1962 and has a basement and two stories with a gross footage area of 11,903. Thus, the total footage of the Quadrangle proper is 109,923. Across the street from the Quadrangle is the Veterinary Clinic area, which contains an additional 60,925 gross square feet, making the total project 170,848 gross square feet.

It was stated by the Board Office that the planned usage of the space is to house completely the College of Education and the Department of Psychology in the Quadrangle space and to house the Industrial Education and Environmental Safety programs in the clinic space. A number of education units including the dean's office, placement, student services, education research and administrative units of psychology have already moved into the unremodeled Quadrangle space. However, the classroom elements of both education and psychology cannot utilize this space until it is remodeled. In addition, the laboratory space for psychology will remain in Old Botany Hall until space is provided to match its needs in the Quadrangle.

When the project is completed, two floors of Curtiss Hall will be vacated by education and assigned to other departments, as will some spaces in Beardshear Hall, Pearson Hall and Carver Halls, all of which house some units of education at this time. In addition, the psychology move from Old Botany Hall will enable that building to be demolished, as the only other current tenant of the building is the seeds function, which will be housed in its new space later this year.

One of the attractive features of this remodeling project is that a significant amount of space could be gained at a cost figure of about half of that of new construction. The original cost estimate broke down as follows:

Phase I - \$2,035,000 divided by 85,000 gross square
feet = \$23.94 per gross square foot

Phase II - \$3,135,000 divided by 85,000 gross square
feet = \$36.88 per gross square foot

The Board Office explained that the higher cost for Phase II remodeling, which included the significant portion of the Veterinary Clinic project, is due to the fact that a major portion of the Veterinary Clinic space was used to house animals and would have to be extensively remodeled to serve any purpose other than for which it was built.

The architects put together a cost estimate not escalated because of the delay in funding the project, based upon complete renovation of the Quadrangle space of 109,923 gross square feet. Total cost of that renovation would be \$3,630,000, which comes out to \$33.02 per gross square foot. The original cost estimate upon which the legislative askings were based were probably somewhat understated. This understatement probably impacts more on the cost of remodeling the Veterinary Clinic space, in that of

the total project budget for the entire renovation, only some \$1,540,000 would remain for the clinic remodeling which would yield a cost per square foot of only \$25.27. It was doubted that the Veterinary Clinic space could be remodeled for that low of a cost figure.

The Board Office recommended the board give serious consideration this fall to putting forth an asking which would provide enough funds for the complete remodeling of the Quadrangle, deferring a decision on the remodeling of the Veterinary Clinic space until the 1979-81 askings are put forth. The Board Office commented that there are probably some unrealistic decisions which would have to be made if the project were continued on an arbitrary 85,000 square foot position for each phase in that a great deal of the work which has to be done in the Quadrangle involves renovation and replacement of mechanical systems. The \$3,630,000 needed for complete remodeling of the Quadrangle would also be adjusted on the basis of estimated inflation occurring between July 1, 1977 and the time the project is bid.

The Board Office suggested the university take a hard look at the continued feasibility of complete renovation of the Veterinary Clinic space. If the cost estimates for remodeling that space approach that of new construction, the wisdom of remodeling any area except that which formerly housed offices becomes questionable. There is also a major equipment need for industrial education which is not included in the remodeling figure for the Veterinary Clinic at this time.

Vice President Moore introduced Dean Virgil Lagomarcino and University Architect Everett Swagert to the board. He also introduced Mr. David Frevert of the firm of Frevert-Ramsey-Drey.

Mr. Frevert reported that at the present time his firm is approaching the end of the "design development phase" which is frequently referred to as preliminary planning. He acquainted the board better with the urgent needs on the deteriorating but handsome structure of the Quadrangle by use of a slide presentation.

Regent Bailey asked what the life expectancy of this remodeled structure would be in comparison with that of a new structure. Mr. Frevert said the life expectancy would be the same as that for a new structure. He emphasized that the Quadrangle is structurally sound. He noted, however, that some mechanical items which would be feasible in a new building would not be in an old building. He commented that ventilation for this old structure would be through the windows rather than mechanical cooling but in this case it is understood by everyone, considering the cost, that windows would be the acceptable way of cooling the building. President Petersen asked if the remodeling would take into consideration energy concerns in redoing the windows. Mr. Frevert responded by saying that the work planned would make the building acceptable to the new energy regulations of the state. That includes wall insulation in some locations, ceiling work in others, and thermal treatment of all the windows.

Regent Belin asked about the heating system in the Quadrangle and whether the present system would be adequate. Mr. Frevert responded that the present heating system is completely outmoded and would be completely changed with the exception of the building built in 1962.

President Petersen inquired about the accessibility of the Quadrangle after remodeling to the handicapped. Mr. Frevert said modifications

must be made in order to make two of the buildings accessible to the handicapped. A couple of freight elevators will be modified for passenger use and ramp ways and restrooms will also be modified.

Regent Brownlee asked what the cost of a new building with the same configuration's cost per square foot would be. It was noted that two to three years hence that price would be close to \$65 to \$70 per square foot.

Mr. McMurray asked Mr. Frevert if the use of the new centrifugal chiller would reduce operating costs. Vice President Moore said that the university figured that the cost ratio comparing window air conditioners to a central air conditioner is eight to one in favor of the central air conditioner.

Mr. Richey asked when the project could be ready for bidding. He noted that that date is important in terms of the board's decision of how to request the funds. Mr. Frevert said it could be ready for bid around March 1 although he would have to consult with other firm members for a more definitive answer. Vice President Moore commented that the university would come back to the board before this contract went out to bid. Mr. Richey noted that a contract, therefore, could possibly be awarded by May 1 in order to take advantage of the entire building season. Mr. Frevert noted that the remodeling would take about 18 months of construction time.

Vice President Moore listed five factors that have changed since November of 1974 which will cause this project to be more expensive than originally planned: 1) inflation, 2) new requirements for energy conservation, 3) OSHA, 4) State Building Code requirements in terms of access and egress to the building, 5) physically handicapped use. He noted that those factors would add as much as 25% to the originally estimated cost of this project. Vice President Moore said that there has not been any adjustment in the figures as yet. Mr. McMurray said that there has been some disagreement as to whether or not there has been any adjustment in the figures. He noted that instead of talking about Phase I and Phase II the Board Office was proposing that the board switch to discussion on remodeling Quadrangle space and "clinic" space.

President Petersen noted that the board has not attempted any remodeling projects of this scope to her knowledge and asked if there may be comparable remodeling projects elsewhere so that the board could have some measure of cost substantiation comparisons. Vice President Moore said the university will attempt to do that.

President Parks commented that the legislature doesn't like to have the board present it with an initial cost estimate and then coming back another year with an inflated cost figure. He stressed that the board must be very careful that every change in the original request be thoroughly footnoted and justified.

Dean Lagomarcino said the college is very enthusiastic with respect to this remodeling project and added he feels the money will be well spent.

MOTION:

Mr. Bailey moved the board: 1) approve preliminary drawings and the project description of the Quadrangle Remodeling project and 2) grant authority to Iowa State University to proceed with final drawings and specifications, subject to the scope of the project being defined and the request for funding to the 1978 Legislative Session being determined. Mrs. Belin seconded the motion and it passed unanimously.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of June 1977 were ratified by the board.

BACHELOR OF LIBERAL STUDIES DEGREE. Discussion and action referring to the Bachelor of Liberal Studies degree is found in the general portion of these minutes.

FINAL BUDGET - 1977-78. The board was requested to approve the budgets for 1977-78 as follows, subject to review of the General University budget in October:

General University	\$79,651,916
Experiment Station	\$ 8,934,972
Cooperative Extension Service	\$10,047,819

The Board Office reported that time was insufficient for Iowa State University to allocate in the preliminary budget special needs and increases for salaries and benefits into the appropriate expenditure categories. Accordingly, the institution showed these allocations as adjustments to the preliminary budget for the General University. The adjustments amount to \$4,738,600 for salary increases and cost of annualizing 1976-77 merit increases and \$872,000 of special needs. Also included in the adjustments was \$70,000 for the portion of the continuing education program administered by Iowa State University.

The Board Office stated that the salary increases for each of the salary categories were calculated and reconciliation statements were shown for each of the salary categories for the increases from the preliminary budget to the final budget. The increases were based on an average base salary adjustment for faculty, institutional officials salaries of 6.4% on merit basis. Professional and scientific personnel salaries were increased in the proposed budget by 6% for salaries below \$13,200 and 5% for salaries above \$13,200 with an additional 2% salary adjustment on a merit basis which results in an average between 7 and 7.5% increase. General service staff salaries were adjusted in accordance with the pay matrices as approved by the board at its July 1 meeting for both organized and unorganized employees.

The preliminary budget provided a detailed statement of special needs allocations for opening new buildings, increase in fuel expense and student aid in the amounts of \$348,000, \$311,000 and \$213,000 respectively. The \$311,000 was shown in the final budget summary on a separate line for fuel and purchased electricity. The remainder of the general expense

increase of \$500,100 consists of the student aid increase of \$213,000 plus \$162,100 of the amount for opening new buildings, the \$70,000 for the continuing education program and \$55,000 for federal fund losses and program adjustments.

The Board Office reported that the equipment budget was adjusted upward by \$20,000 by internal reallocation from Energy, Mineral and Resources Research Institute to provide an additional amount for matching funds. Funds in the amount of \$9,800 were shifted from the library book budget to continue implementation of the Ohio Computer Library System. In addition, \$45,000 of positions have been eliminated by attrition during the coming year to support the system. The Ohio Computer Library System should result in labor savings which in the future could possibly be considered for the budget for purchase of books.

It was noted that the final budgets for the Experiment Station and the Cooperative Extension Service have been prepared in a similar manner with respect to salary increases for the various categories of employees. Those employees with split appointments between the General University and either the Experiment Station or the Cooperative Extension Service have been treated in the same way for both portions of each individual salary.

The detailed institutional budget included prebudgeted salary lapses of \$1.3 million for the General University which was identical with that budgeted for 1976-77 and \$115,000 more than has been experienced in 1976-77. This means that \$115,000 had to be saved elsewhere in the budget to remain within the budget. The prebudget salary lapses for the Experiment Station were increased from \$155,000 for 1976-77 to \$200,000 for 1977-78 and increased for the Cooperative Extension Service from \$95,700 in 1976-77 to \$150,000 in 1977-78. These prebudgeted salary lapses amount to 1.6%, 2.2%, and 1.5% for each respective organizational unit.

The Board Office reported that the unallocated equipment funds in the amount of \$531,000 plus the reserve for matching funds for equipment in the amount of \$130,000 amounts to \$661,000 which is in accordance with the final budget summary statement. Repairs, replacements and alterations in the amount of \$918,000 was as previously stated in the preliminary budget. The unallocated General University amount of \$182,975 represents a contingency fund. The reserve for pay adjustments of \$330,000 includes funds to provide merit step increases, professional and scientific employee reclassification, shift differential pay, and stand-by pay. The reserve for chemical waste handling was shown in the amount of \$50,000 as different waste handling procedures were implemented. The reserve for temporary teaching assignment in the amount of \$375,000 was to provide flexibility in assigning teaching staff to the instructional departments where need is most critical. The increase in the Memorial Union support to \$635,000 results from the \$1 increase in activity fee approved last fall by the Board of Regents effective September 1977. This expenditure account was shown to conform to uniform budgeting and accounting procedures.

The board was reminded that at its July 1 meeting the board decided to delay budgeting the \$1.3 million for federal funds losses to fund losses which were incurred in 1976-77 but unfunded for 1977-78. Actual losses incurred in 1976-77 amounted to \$559,055 which were funded in the amount of \$536,311. However, the funding in the budget base for 1977-78 included

only \$334,997. The institution budgeted \$498,580 and showed a deduction in the detailed budget of \$163,580 for federal funds losses to balance the budget. The remainder of \$335,000 would be covered in the budget base.

Several factors were involved in considering the matter of federal funds losses: 1) consideration of whether or not application of the \$1.3 million appropriation was intended to cover unfunded losses from 1976-77, 2) accurate estimates of losses for 1977-78, and 3) inclusion of losses in the budget base for future years for losses in 1977-78 and possibly for residual unfunded losses from 1976-77. In view of the above factors, Mr. Richey recommended deferral of consideration of this matter until the October board meeting. Meanwhile, Mr. Richey recommended that the university maintain reserves which would cover the \$163,580 for which the unallocated General University account of \$182,975 would be a source of funding.

The Board Office commented that Iowa State University supplied good explanation and supplemental financial statements for the final budgets which are on file at the Board Office.

MOTION:

Mrs. Belin moved the board approve the following budgets for 1977-78 subject to review of the General University budget in October:

General University	\$79,651,916
Experiment Station	\$ 8,934,972
Cooperative Extension Service	\$10,047,819

Mr. Bailey seconded the motion and it passed unanimously.

STUDENT TEACHING CONTRACTS. The board was requested to approve the contract form proposed by Iowa State University for the 1977-78 school year and ratification of the agreements contracted for the 1976-77 school year.

The Board Office recommended Iowa State University consider inclusion of the following language as part of its contract:

262.30 Contracts for training teachers. The board of directors of any school district in the state of Iowa may enter into contract with the state board of regents for furnishing instruction to pupils of such school district, and for training teachers for the schools of the state in such particular lines of demonstration and instruction as are deemed necessary for the efficiency of the University of Northern Iowa, state University of Iowa, and Iowa State University of science and technology as training schools for teachers.

260.27 Student teachers' certificates. Whenever the conditions prescribed by the board of educational examiners for issuance of any type or class or certificate provide that the applicant shall have completed work in student teaching it shall be lawful for any accredited college or university located within the state of Iowa and states conterminous with Iowa and offering a program or programs of teacher education approved by said board of educational examiners of Iowa or states conterminous with Iowa to enter into a written contract with any approved school district or private school, under such terms and conditions as may be agreed upon by such contracting parties. Students actually engaged under the terms of such contract, shall be entitled to the same protection, under the provisions of section 613A.8, as is afforded by said section to officers and employees of the school district, during the time they are so assigned.

The Board Office reported that the above language would be consistent with the language as found in the contractual agreements of the University of Iowa and the University of Northern Iowa. Moreover, school districts would be obligated to provide the same tort claim coverage for student teachers as they provide for officers and employees of the district.

Mr. Richey noted that the contract proposed by Iowa State University used more simple language than the contract used by the State University of Iowa, for example. Vice President Moore noted that the contract language will be reexamined by the proper individual in the College of Education who can review this more thoroughly.

MOTION:

Mr. Bailey moved the board approve the contract form proposed by Iowa State University for the 1977-78 school year with the additions made by the Board Office and ratify the agreements contracted for the 1976-77 school year. Mr. Brownlee seconded the motion and it passed unanimously.

The agreement as approved follows:

STUDENT TEACHING AGREEMENT
(Draft Form)

This agreement entered into by and between the State Board of Regents, hereinafter referred to as the Board, for the use and benefit of Iowa State University and the _____ Community School District, hereinafter referred to as the local school district, defines the mutual consideration of the parties for the University's program of student teaching in the local school district's system for the _____ school year.

Whereas, Section 262.30, Code of Iowa provides:

262.30 Contracts for training teachers. The board of directors of any school district in the state of Iowa may enter into contract with the state board of regents for furnishing instruction to pupils of such school district, and for training teachers for the schools of the state in such particular lines of demonstration and instruction as are deemed necessary for the efficiency of the University of Northern Iowa, state University of Iowa, and Iowa State University of science and technology as training schools for teachers.

And whereas Section 260.27, Code of Iowa provides:

260.27 Student teachers' certificates. Whenever the conditions prescribed by the board of educational examiners for issuance of any type or class or certificate provide that the applicant shall have completed work in student teaching it shall be lawful for any accredited college or university located within the state of Iowa and states conterminous with Iowa and offering a program or programs of teacher education approved by said board of educational examiners of Iowa or states conterminous with Iowa to enter into a written contract with any approved school district or private school, under such terms and conditions as may be agreed upon by such contracting parties. Students actually engaged under the terms of such contract, shall be entitled to the same protection, under the provisions of section 613A.8, as is afforded by said section to officers and employees of the school district, during the time they are so assigned.

In consideration of its responsibilities, the Board agrees that the University shall:

1. Pay directly to the local school district an honorarium of:
\$37.50 for each half-quarter student teacher assignee
\$75.00 for each full-quarter student teacher assignee
\$50.00 for each home economics assignee (half quarter plus)
\$15.00 for each agriculture interim assignee
2. Have a University staff member visit the school(s) to review the student teacher's progress.

In consideration of its responsibilities, the local school district agrees to:

1. Provide supervised teaching experiences for each student teacher accepted by the local school district.
2. Designate a faculty member acceptable to the University as the local cooperating teacher.

A list of school systems with which the university had student teaching agreements during 1976-77 is on file in the Board Office.

AREA EXTENSION OFFICE AT DAVENPORT - LEASE AGREEMENT. The board was requested to approve a three-year lease agreement between Alpine Center, 2 Lambs Lane, Davenport, Iowa and the State Board of Regents.

The university reported that total rental cost for 2,277 square feet of office space and 208 square feet of storage is \$1,164.50 per month, or about \$5.62 per square foot, for all space for the Davenport Area Office. Quoted price includes heat, electricity, air conditioning and janitor service.

It was noted that the decision to move to a new location was based on several factors:

1. Inadequate and poorly arranged space in the present location.
Additional space not available or not adjacent to present office.
2. Poor parking arrangements.

3. Difficulty in moving audio-visual and other equipment in and out of the building.
4. Rent increase from \$3.99 per square foot to \$5.32 per square foot, plus additional charge for electricity estimated at \$.55 per square foot.

The lease provides for an additional initial payment of \$896.00 to be paid at the time of occupancy. This additional payment represents the cost to the landlord for erecting partitions, doors, etc. Cost of new paint, carpet and tile would be borne by the landlord.

Regent Shaw noted that a very considerable increase (probably close to 45%) would be experienced if the space currently being leased would be reapproved. In addition to the inflated cost factor, the space required is more than what is there. He noted that the rental cost for the Alpine Center is reasonable and noted that a dollar per foot was deducted after some negotiation. Regent Shaw added that the convenient location of the Alpine Center also has an advantage over the present facility.

MOTION:

Mr. Brownlee moved the board approve the three-year lease agreement between the Alpine Center in Davenport and the State Board of Regents as described above. Mr. Shaw seconded the motion and on roll call the following voted:

AYE: Bailey, Barber, Belin, Brownlee,
Shaw, Harris, Wenstrand, Petersen.

NAY: None.

ABSENT: Slife.

The motion carried.

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

AGRICULTURE CONSORTIUM AGREEMENT - ARTICLES AND BYLAWS. The board was requested to: 1) authorize the president of Iowa State University to designate an incorporator of the Mid-America International Agricultural Consortium, 2) authorize Iowa State University to become a regular member of the Mid-America International Agricultural Consortium, 3) authorize the president of Iowa State University to appoint two directors to the Board of Directors of the Mid-America International Agricultural Consortium, 4) authorize Iowa State University to pay the regular membership dues of \$5,000 for the fiscal year July 1, 1977 through June 30, 1978. It was also recommended that the two directors appointed by the president of Iowa State University or their successors be prohibited from voting for any addition, amendment or repeal in the certificate of incorporation as presented, without the prior approval of the Board of Regents and in the bylaws as presented, without prior notice to the president of Iowa State University and the Board of Regents.

The Board Office reported that the Iowa State University School of Agriculture was proposing to form a consortium as a "Not-for-Profit" Corporation with the Deans of Agriculture at the University of Missouri, Kansas

State University and the University of Nebraska at Lincoln. This proposal was originally presented to the board at its June meeting but was tabled at that time since there was not sufficient information describing the details of the consortium. The proposal now contained the proposed certificate of incorporation as well as the proposed corporate bylaws which spelled out the objectives of the consortium.

The purposes of the consortium were summed up as providing an effective means of pooling the efforts of these four colleges of agriculture into combined activities to encourage and implement improved agricultural practices in countries throughout the world.

The Board Office noted that while the corporate form is not necessarily the best vehicle to pursue these purposes, the governing bodies of the other three universities have already authorized the incorporation of this proposed "Not-for-Profit" Corporation. This approach will require an exemption by the Internal Revenue Service from the payment of federal corporate income tax under Section 501(c)3 of the Internal Revenue Code of 1954 on corporate earnings, such as interest accrued in savings accounts. Furthermore, the corporation will need authorization to receive tax-exempt gifts. In addition, the officers will require separate bonding and the corporation will be subjected to a host of federal legislation governing employment relations including the Fair Labor Standards Act, the Employees Retirement Income Security Act and the National Labor Relations Act and will need separate workmen's compensation and disability insurance for any of its employees.

On the other hand, as a private corporation it will not be subject to those laws of the state of Iowa which govern the conduct of public agencies or public officials. Among other things, it will not be subject to the Administrative Procedures Act, the open meetings law, the Public Employment Relations Act, nor the law prohibiting conflict of interest.

The Board Office noted that although the two directors (appointed by the Iowa State University president to the Mid-America International Agricultural Consortium), serve at the pleasure of the university president, it is that eight-member board which, by law, has the right to amend its certificate of incorporation and its bylaws and establish its corporate policies and objectives.

The Board Office noted that if and when the corporation strays from its present course, the university could resign its membership in the corporation which, under the proposed bylaws, requires six months notice. It was noted that "the resigning university forfeits all rights to any unused dues, assessments, surpluses or other benefits of the Consortium."

President Parks commented that the Board Office recommendation before the board was entirely consistent with the university's feelings on this matter.

MOTION:

Mr. Bailey moved the board approve the actions as requested above relating to the Mid-America International Agricultural Consortium. Mr. Wenstrand seconded the motion and it passed unanimously.

EASEMENT WITH CITY OF AMES, IOWA. The board was requested to: 1) terminate the existing easement for a sanitary sewer with the city of Ames as approved by the State Executive Council on October 19, 1976, and 2) approve a proposed easement agreement with the city of Ames, subject to the approval of the State Executive Council.

The Board Office reported that in October of 1976 the board granted an easement to the city of Ames for the construction of a sanitary sewer between the Chicago and Northwestern Railroad right-of-way and the university's high voltage electric service to the Veterinary Medicine Facilities. Since that time, discovery has been made that the construction of the sewer might cause damage to the electrical service. Because of that reason, the university recommended terminating that easement and granting a new easement which would locate the sewer west of the electrical service, and would not, therefore, interfere with the service itself. It was added that the easement proposed did contain the new hold-harmless clause on liability which will be used uniformly on all easements in the future.

MOTION:

Mr. Barber moved the board: 1) terminate the existing easement for a sanitary sewer with the city of Ames as approved by the State Executive Council on October 19, 1976 and 2) approve the proposed easement agreement with the city of Ames, subject to the approval of the State Executive Council. Mr. Bailey seconded the motion and on roll call the following voted:

AYE: Bailey, Barber, Belin, Brownlee, Harris, Shaw, Wenstrand, Petersen.

NAY: None.

ABSENT: Slife.

The motion carried.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported that the Register of Capital Improvement Business Transactions for the period of June 18 through July 29, 1977 had been received by him, was in order, and recommended approval.

The following actions were recommended of the board:

- 1) Approve the Register of Capital Improvement Business Transactions.
- 2) Authorize the executive secretary to approve a change order eliminating deduct Alternates #4, #5 and #8 on the Animal Resources Station contract award, if a grant is received by Veterinary Medicine, with board ratification of the contract change order at its September meeting.
- 3) Authorize Iowa State University to negotiate for architectural and engineering services with Brooks, Borg and Skiles, Des Moines, Iowa on Hilton Coliseum Interior Improvements.
- 4) Authorize Iowa State University to negotiate for design services for the construction of a new intercollegiate running track.

The following construction contracts were recommended for ratification:

Veterinary Medicine Facilities - Animal Resource Station - Phase II

Award to: Story Construction Company, Ames, Iowa \$758,300.00
Base Bid of \$830,500.00 plus Alt. #1 of
\$10,800, minus Deduct Alt. #2 of \$3,000,
minus Deduct Alt. #4 of \$21,000, minus
Deduct Alt. #5 of \$31,000, minus Deduct
Alt. #8 of \$28,000.

The Board Office reported that the Animal Resources Station is a two-phase project first approved by the board in March of 1975. The board approved a contract with Norval H. Curry, Engineer of Ames, Iowa, to provide engineering services for the site development and design of structures for the Ames farm work. This farm is south of the city of Ames. The total budget for the Animal Resources Station project was \$1,280,000 funded by \$1,255,000 in Veterinary Medicine bond proceeds and \$25,000 from Overhead Reimbursement for Use of Facilities.

The first portion of the work, which is now under way, consisted of construction of an animal isolation building addition and equipment storage building at the Veterinary Medicine Research Institute. This portion costs \$372,560. There was \$760,940 available for the Animal Resources Station portion of the project. The intent of the project is to rid central campus of animals and to raze buildings connected with those animals on central campus. The station will provide a holding area for the rearing and holding of animals to be used for teaching and research throughout the university.

The Board Office indicated that the Veterinary Medicine College anticipates receipt of an industrial grant within the next 30 days. If that grant is received, the university plans to issue a change order eliminating the deduct alternates #4, #5 and #8. These deducts at this point eliminate a sheep herd building and lots, a hay and bedding storage building and road rock surfacing from all roadways, drives and parking. The university requested that the executive secretary be authorized to approve issuance of this change order because the board does not meet again until September 15. If the grant is not received, then the contract award will stand as stated above, as those deducts were made to bring the project within the existing budget.

Accessibility Modifications for Orthopedically Handicapped

Award to: Chenoweth-Kern Elevator Service, Des Moines, Iowa \$29,230.00

The Board Office reported that the university was allocated \$130,000 from the \$500,000 appropriated in the 1976 session for Phase I of the Handicapped Accessibility Program. Modifications to serve handicapped students will be made to some 16 buildings on campus from this allocation. All first phase modifications with a single exception should be completed in early fall of 1977.

On March 11, 1977 the university took bids to modify three elevators as part of this program. Funds were insufficient to award a contract at that time for modification of the elevator in LeBaron Hall - South. However, the university negotiated with the successful bidder to hold this bid open until July 15, 1977.

The university recommended exercising this change order at this meeting, although with the concurrence of the Board Office, the university has notified the contractor of its intent to pick up this option by July 15. Funding for this elevator modification will come out of the university's allocation of \$400,000 from the 1977 Handicapped Accessibility Program - Phase II.

The following new projects were recommended for approval:

Iowa State Center - Hilton Coliseum Improvements - 1977

The university requested authority to negotiate for architectural and engineering services with Brooks, Borg and Skiles, Des Moines, Iowa. This firm was involved in the original design of the facility. The university reported that there was no dollar cost assumed at this time. The university has approximately \$800,000 remaining in the construction fund on this project, which was originally undertaken from a bond sale with students' special building fee paying the debt service on these bonds. It was noted that a project budget and exact description will be brought forward at a later meeting, as will the contract for architectural services.

C.Y. Stephens Auditorium - Partial Roof Replacement and Repair, 1977

Source of Funds: RR&A Funds \$ 75,000

This project is intended to correct a problem of serious roof leakage which has developed over the main house of the auditorium causing interior damage and the threat of rain-cancelled events. The university is in the process of assessing the responsibility for the failure and attempting to obtain remedy on the roofing bond, which was written by a manufacturer no longer in business.

The Board Office noted that the \$75,000 is an estimated cost of the project and added that it will be funded by RR&A funds until any recovery or expenses can be effected.

Athletic Facilities - Intercollegiate Running Track

Source of Funds: University Athletic Council

The Board Office reported that the only outdoor running track at the university is now located at Clyde Williams Field encircling the old football field. The project now contemplates the construction of a new nine-lane track to be located west of the existing baseball diamonds on the former site of the horticulture farm.

Utilities - Power Factor Improvements

Source of Funds: 67th G.A. Academic Revenue Bonds \$120,000.00

The Board Office noted that this is one of the projects for which bonds will be sold for Iowa State at the September 1977 meeting.

The following revised or amended project budgets were presented for approval:

Veterinary Medicine Facilities - Animal Resource Station

Source of Funds: 64th G.A. Academic Revenue Bonds \$1,280,000.00
(\$1,255,000)

Overhead Reimbursement for Use of Facilities
(\$25,000)

(No change from budget approved earlier.)

Accessibility Modifications for Orthopedically Handicapped -
LeBaron Hall & Computer Science Elevator Alterations

Source of Funds: \$ 130,000.00
(No change from budget approved earlier.)

Towers Dormitory Caulking

Source of Funds: Dormitory System Surplus Fund \$ 85,000.00

The Board Office noted that the original budget was estimated incorrectly in the amount of \$41,000. Due to an error in communication, the previously reported estimate covered only two of the four buildings.

MOTION:

Mr. Brownlee moved the board: 1) approve the Register of Capital Improvement Business Transactions for the period of June 18 through July 29, 1977; 2) authorize the executive secretary to approve a change order eliminating deduct Alternates #4, #5 and #8 on the Animal Resources Station contract award, if a grant is received by Veterinary Medicine, with board ratification of the contract change order at its September meeting; 3) authorize Iowa State University to negotiate for architectural and engineering services with Brooks, Borg and Skiles, Des Moines, Iowa on Hilton Coliseum Interior Improvements; and 4) authorize Iowa State University to negotiate for design services for the construction of a new intercollegiate running track; 5) approve the new projects; 6) approve the revised or amended project budgets; and 7) authorize the executive secretary to sign all necessary documents. Mr. Bailey seconded the motion.

Regent Bailey commented in connection with the roofing problem on the C.Y. Stephens Auditorium. He noticed that the university is investigating the bond which was written by manufacturers no longer in business. He asked if there is a chance of holding the original roofing contractor liable for the damage. Assistant Vice President Madden responded that there is an attempt being made to correct this under that bond. He added that it is apparent that roofing bonds today are a difficult area to ensure performance.

Assistant Vice President Madden commented that in 1973 a large portion of the C.Y. Stephens Auditorium's roof blew off. Under the insurance policy, the institution went through a lot to maintain full coverage on the roof. He added that although the original roofer is no longer in business, the university hopes to still collect from that agency.

VOTE ON MOTION:

The motion passed unanimously.

UTILITIES - EMERGENCY WATER SYSTEM IMPROVEMENTS. The board was requested to: 1) grant the university approval to spend not in excess of \$150,000 for emergency water system improvements, 2) authorize the executive secretary to approve contracts for design and installation of the portion of these improvements not done with university forces, and 3) authorize the executive secretary to approve an agreement with the city of Ames for joint funding of the well line interconnection.

The Board Office noted that the city of Ames has serious water problems this summer. In the past year the university deactivated its water supply and hooked on the city of Ames' supply. Because of the emergency, the Department of Environmental Quality has permitted the university to reactivate its water supply system and switch back to its own water. Even with this action, however, the draw on the city water is in excess of the safe allowable amount and there is deep concern that continued pumping at the current rate will do irreparable damage to the well field of the city.

For the above reasons, the university has initiated discussions with the city of Ames which would lead to an interconnection of the Iowa State water with that of the city. Estimated cost of this interconnection might be as much as \$300,000. The university proposed that there be a cost-sharing arrangement worked out.

The university reported that the improvement will allow the university to pump excess well water to the city's treatment plant thus allowing the city to reduce pumping capacity on its well field. It will also allow the university to pump treated water through its filter plant directly into the city's system should that become necessary.

The anticipated length of this emergency after normal rainfall begins is estimated to be approximately 12 months. After the current emergency conditions are over, these improvements will allow for a better utilization of the water resources in the entire community.

The city and the university are investigating the availability of Federal Drought Disaster Funding which might be applied toward these improvements. However, the need to proceed immediately is so urgent that the university recommended the use of Overhead Reimbursement for Use of Facilities Funds for this work.

MOTION:

Mr. Harris moved the board: 1) approve the university's spending of not in excess of \$150,000 for emergency water system improvements; 2) authorize the executive secretary to approve contracts for design and installation of the portion of these improvements not done with university forces; and 3) authorize the executive secretary to approve an agreement with the city of Ames for joint funding of the well line interconnection. Mrs. Belin seconded the motion and it passed unanimously.

IOWA STATE UNIVERSITY
July 28, 1977

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Thursday, July 28, 1977.

SALE OF \$8,775,000 STATE BOARD OF REGENTS, STATE OF IOWA, UNIVERSITY OF NORTHERN IOWA ACADEMIC BUILDING REVENUE BONDS, SERIES U.N.I., 1977. President Petersen called the meeting to order a few minutes after 11:00 a.m., Central Daylight Saving Time, Thursday, July 28, 1977, in the Board Room of Gilchrist Hall, University of Northern Iowa, Cedar Falls, Iowa. The roll being called, there were present Mary Louise Petersen, president, in the chair, and the following board members: Bailey, Barber, Belin, Brownlee, Harris, Shaw, Wenstrand. Absent: Slife.

This being the time and place fixed by published notice, the Board took up for consideration the matter of bids for the purchase of \$8,775,000 Academic Building Revenue Bonds, Series U.N.I. 1977, of said Board.

President Petersen requested the filing of all sealed bids. Bond Consultant Paul D. Speer responded that five sealed bids had been filed. President Petersen then made a second, and then a third and final call for sealed bids. She then announced the closing of receipt of sealed bids.

President Petersen then directed the executive secretary to open the sealed bids and Mr. Speer to read the bids. A complete list of the bids by managers is as follows:

<u>Bidder</u>	<u>Net Interest Rate</u>
Harris Trust and Savings Bank and The Northern Trust Company and Continental Illinois National Bank and Trust Company of Chicago and The First National Bank of Chicago and Iowa-Des Moines National Bank, Joint Managers and Associates	5.03739%
White, Weld and Co., Inc. and Kidder, Peabody and Co., Inc., Joint Managers and Associates	5.0396%
Blyth Eastman Dillon and Co., Inc. and Carleton D. Beh Co. and A.J. Becker Municipals, Inc. and Associates	5.0403%
John Nuveen and Co., Inc. and Goldman, Sachs and Co. and Merrill, Lynch, Pierce, Fenner and Smith, Inc., Joint Managers and Associates	
Bache Halsey Stuart Shields, Inc. and L.F. Rothschild, Unterberg, Towbin, Managers and Associates	5.0756%

Mr. Speer, after due consideration, reported that the best bid was that submitted by Harris Trust and Savings Bank and The Northern Trust Company and Continental Illinois National Bank and Trust Company of Chicago and

The First National Bank of Chicago and Iowa-Des Moines National Bank, Joint Managers and Associates at a net interest rate of 5.03739% and is in the interest of the board and therefore recommended its acceptance.

MOTION:

After all sealed bids had been opened, the results thereof were incorporated in a resolution entitled "Resolution providing for the sale and award of \$8,775,000 Academic Building Revenue Bonds, Series U.N.I. 1977, and approving and authorizing the agreement of such sale and award," which was introduced and caused to be read. Member Shaw moved that said resolution be adopted, seconded Member Bailey, and the roll being called the following voted:
Aye: Bailey, Barber, Belin, Brownlee, Harris, Shaw, Wenstrand, Petersen.
Nay: None.
Absent: Slife.
Whereupon the President declared said resolution duly adopted and signed her approval thereto.

MOTION:

The Board took up for consideration the matter of authorizing and issuing \$8,775,000 Academic Building Revenue Bonds, Series U.N.I. 1977. Whereupon Member Shaw introduced and caused to be read a resolution entitled "A Resolution authorizing and providing for the issuance and securing the payment of \$8,775,000 Academic Building Revenue Bonds, Series U.N.I. 1977, for the purpose of defraying the cost of acquiring and installing a coal-fired boiler and auxiliaries and performing general utilities and general remodeling work in certain buildings on the campus of the University of Northern Iowa," and moved that said resolution be adopted. Member Bailey seconded the motion and after due consideration by the Board the President put the question on the motion and upon the roll being called the following voted:
Aye: Bailey, Barber, Belin, Brownlee, Harris, Shaw, Wenstrand, Petersen.
Nay: None.
Absent: Slife.
Whereupon the President declared the motion duly carried and said resolution adopted.

MOTION:

Mr. Bailey moved that all certified checks submitted by bidders, except for that submitted by Harris Trust and Savings Bank and The Northern Trust Company and Continental Illinois National Bank and Trust Company of Chicago and The First National Bank of Chicago and Iowa-Des Moines National Bank, Joint Managers and Associates, be returned. Mr. Shaw seconded the motion and it passed unanimously.

MOTION:

Mr. Shaw moved that the firm of Carney, Alexander, Marold and Company of Waterloo, Iowa, be employed as bond auditor. Mr. Bailey seconded the motion and it passed unanimously.

CAPITAL PROJECT: MARRIED STUDENT HOUSING ADDITIONS - HUD PROPOSAL - 1977.
The board was requested to approve the following actions:

- 1) Proceed with a College Housing Loan Program application to the U.S. Department of Housing and Urban Development to procure a Title IV loan in the amount of \$2,620,000 for construction of 96 married student housing units (40 units previously approved and recommended for award at the July board meeting are included in the 96 units for which financing assistance is being requested).
- 2) Preparation of a resolution for issuance of dormitory system parity revenue bonds as required by College Housing Loan Program provisions with bonds to be sold at a later date.
- 3) Contingent upon approval of the College Housing Loan Program application by HUD, permit construction of the additional 56 units of married student housing.
- 4) Contingent upon approval of the College Housing Loan Program application by HUD, permit expansion of the Central Services Building to include laundry and meeting room areas deleted in the proposed 40-unit construction project.

As background, the board was reminded that at its November 1976 meeting, the university submitted documents dealing with married student housing at the University of Northern Iowa. The analysis considered the aspects of: 1) availability of student housing, 2) availability of private housing, 3) the need criteria of married students for low-cost housing, and 4) a projection of potential enrollment at the university through 1985. The result of the analysis indicated that married student housing needs exceeded the currently available number of units.

Another document presented the board by the university at the November 1976 meeting was a master plan for married student housing based on 300 units. The master plan identified phases for the construction of the additional housing units. Phase I would provide 96 new units of married student housing. This phase was to be essentially a replacement for married student housing consisting of trailers which were nearing the end of their useful life and would require rather extensive modification to permit prolonged habitability.

Of the 100 trailers originally available at the University of Northern Iowa, approximately half were purchased in 1962 and the remainder in 1967. Several of the 1962 trailers have already been withdrawn from service because of severe deterioration making them unsuitable for habitation and too expensive to renovate in terms of the amount of useful life to be obtained.

It was noted that on the recommendation of the Board Office, the board approved consideration of only 96 units in Phase I of the Master Plan. Because of the very high cost per unit for the site constructed units proposed in the Master Plan, the University of Northern Iowa was requested, in conjunction with the Board Office, to review its needs for housing, to analyze the available options to provide the housing, and to compare the costs and to prepare a financial plan for the proposed construction.

Financial considerations, in terms of the amount of surplus funds that should prudently be used to fund married student housing, reduced the scope of Phase I to 40 units. These units would be replacement for the rapidly deteriorating trailers purchased in 1962 to maintain total available married student housing at the approximate 400 unit level.

The current proposal calls for expanding funding to permit construction of all 96 units and the complete Central Services Building. Funding for the 96 units of housing would be provided by \$2,620,000 from the College Housing Loan Program under the control of the Department of Housing and Urban Development. The Central Services Building plus other unfunded portions of the project would be funded from surplus funds requiring approximately \$710,000, for a total project cost of \$3,300,000. The \$2,620,000 loan from Housing and Urban Development, if approved, would be for a period up to 40 years with an annual interest cost of 3%. The loan also provides for a two-year deferred principal payment period.

The Board Office noted that since the amount of financing to be provided from surplus funds under the HUD proposal is only \$710,000 and the amount to finance the 40 unit option is \$1,270,000, the drawdown on surplus funds under the HUD option would permit retaining \$560,000 in income producing investments.

The Board Office stated that according to the proposal to be submitted to the Department of Housing and Urban Development, the anticipated rental rate will be \$155.00 per month. When the board approved the plan for 40 units the proposed rental rate was \$160.24 per month. At the \$155.00 per month rate, the gross revenue is \$178,560. Using a 10% vacancy allowance, the adjusted gross revenue is \$160,704. The estimated annual expenses total \$29,792 which leave an estimated net income of \$130,912 to pay required debt service on the proposed \$2,620,000 loan from HUD.

Debt service requirements under the proposed loan were not available with the institutional materials to determine the financial consideration involved. The Board Office noted, however, that based on verbal discussion approximately \$113,348 would be required for interest and principal on an annual basis and it appears that proposed revenues would be sufficient to meet this requirement.

Bond Consultant Paul D. Speer reported that the bonds as they are issued to the Department of Housing and Urban Development must be issued under the general dormitory bond on the same basis as all the other bonds. He said the rates and charges for occupancy of married student housing units must be the same as the comparable facilities' rates in the university's dormitory system.

Mr. Speer noted that the proposed rent for the units will be \$155 per month. He said that rate will increase the university's gross rental income more

than the income previously obtained from the mobile units that are being replaced.

Mr. Speer said he does not foresee any problems in qualifying the bonds on the Housing and Urban Development proposal. Mr. Speer noted that debt service for the 40-year period at 3% would be \$4,537,000. He commented that he has been looking at interest rates of 5 1/2% or lower at a shorter maturity that would cost out at \$4,380,000 using conventional bonds.

It was recommended by Mr. Speer that the board proceed, keeping in mind that there may be better alternatives available after all details are known.

MOTION: Mr. Barber moved the board approve the four recommended actions as outlined above. Mr. Harris seconded the motion.

Mr. McMurray reiterated that the option is still open for a shorter payment period than 40 years. He said cutting down to a 30-year loan period would make the 3% bonds more favorable in relation to 20 year bonds at higher interest rates.

Mr. Richey noted that Mr. Speer indicated that the board can't sell these bonds until the units are constructed so temporary financing may be necessary in the interim. Mr. Speer added that when the final regulations from the Department of Housing and Urban Development come in, more can be developed in that respect.

VOTE ON MOTION: The motion passed unanimously.

REGISTER OF PERSONNEL CHANGES. The board was requested to approve the Register of Personnel Changes for the University of Northern Iowa with the following notations:

Changes of status effective July 1, 1977:

Thomas Hansmeier, from Vice President for Student Services and Special Assistant to the President to Vice President for Student Services.

Edward Voldseth, from Vice President for University Relations and Development to Special Assistant to the President for State Relations and Special Events.

Lavern Miller, from Director of Alumni Services to Director of Alumni Services and Development.

In absence of objections, President Petersen ratified the actions reported in the Register of Personnel Changes for the University of Northern Iowa.

BACHELOR OF LIBERAL STUDIES DEGREE. Action relating to the Bachelor of Liberal Studies degree for the University of Northern Iowa is found in the general portion of these minutes.

POLICY STATEMENT REGARDING PRINCIPLES, STANDARDS AND PROCEDURES FOR FACULTY APPOINTMENTS AND PROMOTIONS. The board was requested to approve a policy statement which established principles, standards and procedures for faculty appointments and promotions.

The Board Office noted that the administration and the university Faculty Senate of the University of Northern Iowa jointly recommended approval of a policy which deals with principles, standards and procedures for faculty appointments and promotions. This policy statement would complement the policy statement entitled "The General Standards Governing Appointments and Tenure," which was approved for the university by the board in April of 1976. The Board Office commented that the statement gives formalization to faculty appointment and promotion standards and procedures. Academic integrity and freedom are protected by the stipulation that the department has primary responsibility for evaluation and recommendation while the administrative oversight is acknowledged as necessary to insure uniform criteria.

The Board Office commented that the policy proposed infers that the university administration and the board retain the ultimate decision-making power with respect to appointments and promotion. This division of responsibility is in keeping with traditional academic practices and conforms to such practices as spelled out by various American Association of University Professors' guidelines on the project. It was also noted that the proposed policy statement was similar to those which exist at both the University of Iowa and Iowa State University, reflecting the autonomy and diversity of the institutions.

It was noted that the principles, standards and procedures themselves are felt to be responsible and broad in scope without being overly restrictive in detail. Thus, freedom remains with respect to varying the procedure and/or standards as the intricacies of a particular situation may require. It was emphasized that primary evaluation of the candidate is to be made by the candidate's colleagues from the particular department in the proposed policy statement. This evaluation would encompass not only a review of the candidate's record, but also formal evaluation of the candidate's students, classroom visitations by departmental colleagues and perhaps evaluations of the candidate by colleagues in the same academic field from other institutions. Thus, the procedures for evaluation should insure a thorough scrutiny of the candidate prior to a recommendation regarding promotion.

The Board Office reported that the policy statement has incorporated changes as a result of the collective bargaining agreement with UNI-United Faculty.

President Petersen noted that a lot of work went into the development of this document. President Kamerick reported that the proposed statement before the board was 100% consistent with the collective bargaining concept.

Vice President Martin commented that the faculty was informed that the university administration was presenting this proposal to the board and there was no reaction to same. He added that this has been a public document on the campus.

MOTION:

Mrs. Belin moved the board approve the proposed policy statement which establishes principles, standards and procedures for faculty appointments and promotions. Mr. Bailey seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the period June 9 to July 18, 1977 had been received by him, was in order, and recommended approval.

Specific recommendations before the board included: 1) to approve the Register of Capital Improvement Business Transactions and 2) to deny the request of Claude Gardner Construction, Inc., that his bid security of a certified check in the amount of \$500 be returned to him. This firm bid was on the general contract for the Building Modifications for Handicapped Accessibility. Later, he discovered he had made an error in his bid and refused to honor the bid.

The following construction contracts were recommended for ratification:

Women's Tennis Courts - Rehabilitate Five Courts

Award to: Cedar Valley Corporation, Waterloo, Iowa \$17,318.25

Exterior Window Repainting - Sabin Hall and Wright Hall

Award to: Modern Painting, Inc., Waterloo, Iowa \$14,535.00

Married Student Housing Additions, 1977 - Grading Contract

Award to: B & B Excavation, Parkersburg, Iowa \$23,150.00

Exterior Window Repainting - Arts and Industries Building

Award to: V. F. Clute Painting & Decorating, Waterloo, Iowa \$ 8,241.00

Building Modifications for Handicapped Accessibility - Mechanical Contract

Award to: Young Plumbing and Heating Company, Waterloo, Iowa \$11,300.00

Building Modifications for Handicapped Accessibility - General Contract

Award to: Jens Oleson and Sons Construction Co., Waterloo, Iowa \$21,975.00

The Board Office noted two irregularities in this contract. The first was that the apparent low bidder, Claude Gardner Construction Company, did not sign the Certificate of Reporting. When asked to sign the Certificate of Reporting later in the day, Claude Gardner explained that he made an error in his bid and would forfeit his bid security, which was a certified

check for \$500, rather than sign a contract for the \$9,987.00 that he bid. (This situation occurred after the bids were opened.) Now, Claude Gardner has requested that the bid security be returned to him.

The Board Office recommended that this request be denied, as the specifications were quite clear that any bidder forfeited bid security by refusing to sign a contract. Bids could be withdrawn up to the time of opening bids, but after that time bid security is forfeited.

The second irregularity was that the other two bidders failed to submit required equal employment opportunity information with the bid. This irregularity was waived since Jens Oleson, who the board has done a great deal of business with over the past few years, submitted the required equal employment opportunity information prior to award of contract.

The following construction contracts were recommended for approval:

Married Student Housing Additions, 1977

Contract "A" - Sanitary Sewer, Storm Sewer and Water Main Extensions	\$ <u>89,404.00</u>
Contract "B" - General Construction	\$ <u>961,327.00</u>
Contract "C" - Walks, Drives, Parking and Entrances	\$ <u>65,300.00</u>
Contract "D" - Area Lighting	\$ <u>22,150.00</u>

The following revised projects were recommended for approval:

Married Student Housing Additions, 1977

Source of Funds: Dormitory System Surplus Fund	\$ <u>1,270,000.00</u>
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The original budget for this project was \$1,230,000.

Redeker Center - Additional Freezer and Cooler Space

Source of Funds: Dormitory System Improvement Fund	\$ <u>20,500.00</u>
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The original budget for this project was \$12,500.00. The reason for the increase was that a full investigation has shown that the chiller walls are not adequately insulated for conversion to a freezer, as originally assumed, and must be dismantled for proper installation.

The following new projects were recommended for approval:

Coal-Fired Boiler Replacement and Auxiliaries

Source of Funds: Academic Revenue Bonding - 1977	\$ <u>8,775,000.00</u>
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UNI-Dome Improvements/Modifications

Source of Funds: UNI-Dome Budget	\$22,000	\$ <u>48,000.00</u>
University RR&A	26,000	

The Board Office commented that there are two parts to this project. The first part is to modify entrance doors to the dome to provide safety glass for the door shrouds on each of the 14 revolving doors. This portion of the project is supported by RR&A funds. The other portion of the project deals with modifications in the concessions area and that portion is

supported by the UNI-Dome construction budget. This project utilizes all funds remaining in the construction budget itself otherwise it would be appropriate for the UNI-Dome budget to support the entire budget.

Discussion pertaining to the request of Claude Gardner Construction, Inc. was raised. Regent Barber asked if Claude Gardner Construction, Inc. wronged the board or made an honest mistake in the bidding. President Petersen said the bid appeared to be made in good faith. She added that the only way to preserve the board's integrity is to make no exceptions with regard to the low bidders.

Mr. McMurray noted that in the case of Claude Gardner Construction, Inc., the firm did not present the board with a bid bond, but presented a certified check instead. There is a question as to whether or not the university could collect the difference between that firm's bid and the next higher bid as damages had a bid bond been submitted.

Vice President Stansbury noted that the Board Office's recommendation to deny the firm's request to return the certified check would be consistent with the board's past policy in every instance.

MOTION:

Mr. Bailey moved the board: 1) approve the Register of Capital Improvement Business Transactions for the period of June 9 to July 18, 1977; 2) approve and ratify the construction contracts recommended above; 3) deny the request of Claude Gardner Construction, Inc., that his bid security of a certified check in the amount of \$500 be returned to him; 4) approve the revised project budgets; 5) approve the new projects; and 6) authorize the executive secretary to sign any necessary documents. Mr. Harris seconded the motion and it passed unanimously.

RESOLUTION ON COAL-FIRED BOILER REPLACEMENT AUXILIARIES. The board was requested to adopt a resolution for a public hearing by the board on plans, specifications and form of contract for the project, Coal-Fired Boiler Replacement Auxiliaries, to be held at 1:00 p.m., September 15, 1977 at the University of Iowa, Iowa City, Iowa

MOTION:

Member Belin introduced and caused to be read the resolution hereinafter set out entitled, "Resolution providing for a notice of hearing on proposed plans, specifications, and form of contracts for Coal Fired Boiler Replacement and Auxiliaries on the campus of the University of Northern Iowa, and for a notice to contractors of bidding thereon." Member Belin moved that said resolution be adopted, seconded by Member Bailey, and after due consideration thereof by the Board, the President put the question, and upon the roll being called, the following voted:
Aye: Bailey, Barber, Belin, Brownlee, Harris, Shaw, Wenstrand, Petersen.
Absent: Slife.
Whereupon the President declared the resolution duly adopted.

COAL-FIRED BOILER REPLACEMENT AND AUXILIARIES PROJECT. The board was requested to: 1) approve the proposed project budget, 2) approve the signing of Part 2 of the contract with Brown Engineering. Approval of Part 3 of the contract for additional services will be requested at a later date, if required; 3) approve the university's Engineering Services Director as the Clerk of the Works.

The Board Office commented that it reviewed the material presented by the university on the project and concurred in its recommendations. It noted that while the university showed the entire \$8,775,000 bond issue going for the coal-fired boiler project, there is about \$90,000 of that amount dedicated to legal, fiscal and administrative expense connected with the sale of bonds. Thus, the university does not have those funds available to support the boiler project itself.

The Board Office noted that the contract with Brown Engineering, as drawn up in February, included Brown Engineering providing complete services on the project. The board was able to execute only Part I in February, as only \$85,000 in funds was available for this project at that time. The second part of the contract with a maximum of \$452,584 will carry the project through to conclusion and those costs are part of the bond sale. Part 3 work involves primarily inspection by the engineer and the decision has not yet been made whether this should be done in-house or by the engineer.

MOTION:

Mr. Harris moved the board: 1) approve the proposed project budget; 2) approve the signing of Part 2 of the contract with Brown Engineering. Approval of Part 3 of the contract for additional services will be requested at a later date, if required; 3) approval of the university's Engineering Services Director as the Clerk of the Works. Mr. Shaw seconded the motion and it passed unanimously.

STUDENT TEACHING CONTRACTS. The board was requested to approve the contract form proposed by the University of Northern Iowa for the 1977-78 school year and ratify the agreements contracted for the 1976-77 school year.

The Board Office reported that the University of Northern Iowa has increased its payment to local districts from \$75 to \$100 for each associate (student) teacher registered for 16 semester hours of credit. This rate is equivalent to the compensation paid to cooperating school districts by the University of Iowa.

The university indicated that minor changes approved by the board in April of 1977 were incorporated in the proposed form of contract for the school year 1977-78. A list of 47 schools and agencies contracted with in 1976-77 was presented the board and is on file at the Board Office.

MOTION: Mr. Barber moved the board approve the contract form proposed by the University of Northern Iowa for the 1977-78 school year and ratify the agreements contracted for the 1976-77 school year. Mr. Harris seconded the motion and it passed unanimously.

NEW CONTRACTS FOR MISCELLANEOUS ARCHITECTURAL AND ENGINEERING SERVICES. The board was requested to approve a rate change in the contract for miscellaneous architectural services with Robert C. DeVoe Architects, Inc., Cedar Falls, and a rate change in contract for miscellaneous engineering services with Brice, Petrides and Associates, Inc., Waterloo, Iowa.

The Board Office indicated that the rates proposed in both agreements do not appear to be beyond the rate paid by the board for Regents' jobs, although some of the rates proposed by Brice, Petrides appear to be significantly increased from those currently in effect on a contract signed in July 1975. The university noted that it has recently hired a civil engineer as a new Engineering Services Director and expects to greatly decrease its need for outside engineering assistance on civil engineering work. The university has recently used Brice, Petrides exclusively on institutional road work. The board is currently under contract with Brice, Petrides to provide the design on the Speech/Art Access Road and those rates would be under the old contract. The university does not have another institutional road project scheduled until 1980.

The Robert C. DeVoe Architects presented the following rates for these miscellaneous architectural services:

Hourly Rates:

Firm Principal:

Architect	\$30.00
Consulting Engineer (Mechanical)	\$35.00

Non-Principal:	
Architect	\$17.50
Engineer (Technician)	\$17.50
Secretarial	\$10.00

Reimbursable Expenses: (When authorized) At cost.

The Robert C. DeVoe Architects proposed that these rates be valid for 12 months or cancellable by either party or adjusted by mutual agreement of both parties on a 30-day written notice. Projects of a more determinable scope would be done on a percentage fee basis depending on the type and size of the project.

The proposed rates by the firm of Brice, Petrides & Associates, Inc. follow:

Principal	\$18.50
Engineer	\$
Engineer I	\$16.50
Engineer II	\$14.00
Technician	\$10.00
Draftsman	\$ 9.80
Aid	\$ 5.75
Survey Crew (Three-man)	\$21.75
Survey Crew (Two-man)	\$17.50
Land Survey	\$14.00

It was noted that these rates of Brice, Petrides & Associates, Inc. show a significant increase over the 1975 rates. Negotiations with the firm indicated that the rate increases are high due to artificially low rates in the 1975 agreement and increased liability insurance costs since 1975.

MOTION: Mr. Brownlee moved the board approve a rate change in the contract for miscellaneous architectural services with Robert C. DeVoe Architects, Inc., Cedar Falls, and a rate change in contract for miscellaneous engineering services with Brice, Petrides & Associates, Inc., Waterloo, Iowa. Mrs. Belin seconded the motion and it passed unanimously.

PRECONSTRUCTION PROJECT AGREEMENT ON PEDESTRIAN CROSSINGS OF HUDSON ROAD. The board was requested to approve an agreement between the Iowa Department of Transportation and the State Board of Regents. The agreement would cover design services and construction costs for the Hudson Road overpass and underpass to be constructed in 1978 when Highway 57 is upgraded by the Iowa Department of Transportation.

The Board Office reported that the Highway Division of the Department of Transportation plans to reconstruct and widen Hudson road (or Highway 57) next year. This road crosses the south part of the University of Northern Iowa campus. The tentative bid date for the project is May 23. There have been discussions with Highway Division staff for the

past seven or eight months on this project and the question of costs to the university because of the project. The Department of Transportation estimates that its share will be about \$1.8 million. The city of Cedar Falls estimates that its share will be about \$275,000.

The Board of Regents had as part of its capital request to the 1977 legislature a \$300,000 item for institutional costs associated with this improvement. This project, however, was not funded by the legislature, as there was some confusion at the last minute relative to what portion of these costs should be picked up by the Department of Transportation.

The Board Office determined that the only costs which the university will incur involve construction of: 1) a pedestrian overpass 400 feet north of the 27th Street center line. This pedestrian overpass will take off from the Speech/Art Building and serve the UNI-Dome. Also to be constructed will be 2) a pedestrian underpass located approximately 80 feet north of the 23rd Street centerline. This underpass will serve the dormitory complex and the new physical education facilities located on the south side of Hudson Road.

The Board Office reported that an agreement has been negotiated with the Department of Transportation whereby the Department of Transportation will be responsible for the design and construction supervision costs of the pedestrian crossovers and approaches. The Board of Regents will be responsible for the construction costs of the crossovers and approaches up to a maximum amount which will be the estimate of construction worked out between the University of Northern Iowa and the Department of Transportation. It was estimated that this will be between \$150,000 and \$160,000. The Board Office noted that the dollar figure will be inserted in the agreement when it is transmitted to the Department of Transportation for approval, as that estimate is expected by August 15. The Board of Regents would include that estimate in its capital request to the 1978 legislature. There would be two ways of paying for this construction. Either the board would reimburse the Department of Transportation with the single payment if appropriations were made available in the total amount of the estimate or if the board would be unsuccessful in receiving appropriations from the 1978 session, it would have to reexamine the scope of the project and possibly cut it back to include a minimum project which would consist of the footings for the overpass and the construction of the underpass.

The Board Office indicated that the other source of funds for this might be the State Park and Institutional Road Fund, particularly if there would be an increase in the Road Use Fund approved by the 1978 session, which would have the effect of increasing the funds going to the State Park and Institutional Road Fund. In that case the agreement provides for a three-year reimbursement period to allow for an orderly inclusion of this project in the five-year Institutional Roads Program. It is, however, highly unlikely that the Institutional Roads Program of the Board of Regents could support this project unless there is an increase in the amount of funds going to that program.

The other issue regarding the Hudson Road project, which is now separable from the design and construction of the pedestrian overpass and underpass, involves land acquisition for the Hudson Road improvement. The Board of Regents' policy has been that in any transfer of jurisdiction

of land to another state agency, that the Board of Regents is reimbursed for costs of such land transfer at the appraised value. The widening of the road will require acquisition of some University of Northern Iowa land.

Mr. McMurray reported regarding the Department of Transportation's cost sharing in this project. He said that department has agreed that any overruns beyond the maximum dollar amount stated in Article 4 will be absorbed by the department in addition to providing design and construction inspection services.

Mr. Richey commented that the proposed agreement implied a request to the 1978 legislature to finance \$150,000 to \$160,000 before the board knows whether it will get the appropriation or not. He said if those funds are not appropriated the money would need to come from some other source and he asked what that source might be. Vice President Stansbury reported that off hand the university has no other source other than possibly using Institutional Road Funds.

Mr. McMurray noted that Article 3 state that no construction will be undertaken without fund availability.

Vice President Stansbury noted that the pedestrian crossings proposed would not only provide access to the UNI-Dome but would provide access to the entire west campus.

MOTION:

Mrs. Belin moved the board approve the following agreement between the Iowa Department of Transportation and the Iowa Board of Regents to cover design services and construction costs for the Hudson Road overpass and underpass to be constructed in 1978 when Highway 57 is upgraded by the Iowa Department of Transportation. Mr. Harris seconded the motion and it passed unanimously.

**IOWA DEPARTMENT OF TRANSPORTATION
PRE-CONSTRUCTION PROJECT AGREEMENT**

University of Northern Iowa
Black Hawk County FN-57-2(5)--21-07
77-16-058

This Agreement is between the Iowa Department of Transportation, designated the "Iowa DOT," and the "State Board of Regents."

WHEREAS, the "Iowa DOT" proposes to reconstruct Iowa 57, from just north of Iowa 58, north to U.S. 20; and

WHEREAS, the "State Board of Regents" (on behalf of the University of Northern Iowa), has requested that the "Iowa DOT" construct two (2) pedestrian cross-overs at the "University of Northern Iowa," which lies within the above mentioned reconstruction area.

THEREFORE, it is hereby agreed as follows:

- 1) The "Iowa DOT" will design two pedestrian crossovers tentatively described as follows:
 - a) A 12' wide by approximately 230' long PCC concrete pedestrian over-pass with high abutments and hand railing located approximately 400' north of the 27th Street centerline.
 - b) A 10' by 8' by 98' reinforced concrete box culvert pedestrian under-pass located approximately 80' north of the 23rd Street centerline.
 - c) Approaches will be included in the design for both pedestrian crossovers to connect with existing sidewalks.
- 2) The "Iowa DOT" will be responsible for the design and construction supervision costs of the pedestrian crossovers and approaches. Final designs prior to construction shall be subject to approval by the University of Northern Iowa.
- 3) Construction shall be initiated upon receipt of written authorization from the "State Board of Regents." Such authorization shall be based on availability of funds. Construction in whole or in part shall be undertaken by the "Iowa DOT." The "State Board of Regents" reserves the right to complete the construction of the project if funds are insufficient to undertake the total project under "Iowa DOT" supervision. Any such construction by the "State Board of Regents" shall be subject to the approval of the "Iowa DOT," and shall be at the expense of the "State Board of Regents."
- 4) The "State Board of Regents" agrees to reimburse the "Iowa DOT" for the cost of construction up to a maximum amount of \$_____. The amount to be reimbursed shall be made part of the written authorization to proceed. No changes shall be made in the proposed construction without written approval of the "State Board of Regents'" designee.
- 5) Reimbursement by the "State Board of Regents" for the project shall be made in either one (1) payment upon completion of construction and proper billing by the "Iowa DOT" or in three (3) equal payments in the following manner:
 - a) The first payment shall be made upon completion of construction and proper billing by the "Iowa DOT."
 - b) The second payment shall be made one (1) year after the first payment.
 - c) The last payment shall be made two (2) years after the first payment.

- 6) The "State Board of Regents" agrees to accept the responsibility for all future maintenance of the pedestrian crossover, except that routine maintenance charges shall be allowable against the institutional roads fund as described in the maintenance agreement for the University of Northern Iowa.
- 7) This Agreement shall be executed in six (6) counterparts, each of which so executed shall be deemed to be an original and all shall constitute but one of the same instrument.

FINAL BUDGET - 1977-78. The board was requested to approve the final budget of \$30,320,000 as submitted by the institution, subject to revision of a program title in the summary and on page 26 to "Instructional Program - Unallocated."

The Board Office reported that the preliminary budget for the institution did not incorporate the additions for salary increases and benefits into each of the salary categories. The institution has now allocated those increases in accordance with the appropriations act and the agreements with the bargaining units.

The Board Office reported that the fuel and purchased electricity budget of \$1,814,000 includes \$99,000 from the special needs for opening new buildings. The other general expense of \$3,965,200 includes \$247,400 from special needs and \$142,800 from increase in income from student fees. The \$3,962,200 includes an increase of \$74,000 over that proposed in the preliminary budget. The final budgets for equipment, library books and RR&A are in accordance with the preliminary budget.

During the preliminary budget discussion it was recognized that funds for new or expanded programs amounted to \$999,200, consisting of \$552,000 for special needs, \$75,000 for the special addition included in the appropriation and \$372,200 from the increased income from student fees due to enrollment growth. The preliminary budget proposed for wages and salaries included \$135,900 of special needs for opening the Speech/Art Building and \$69,700 for Price Laboratory School. The budget request for opening the Speech/Art Building based on 11-month occupancy in 1977-78 amounted to \$133,899 for salaries and wages. Mr. Richey reported that occupancy is scheduled to begin in October, to be complete in January. Consequently, the budget should require no more than about \$80,000 rather than the \$135,900 which has been budgeted.

The special need for the Price Laboratory School in the amount of \$123,000 was included in the Governor's recommendation although not included in the budget request of the Board of Regents. The amount was included to adjust the budget base for funding provided through the school aid formula during 1976-77, based on cost per pupil for each local school district.

The \$372,000 increase in student fee income resulted from increased enrollment. This income should be expended for direct classroom expenses, a portion of which would be for instructional staff for the additional students, inasmuch as no funds have been appropriated for enrollment growth and tuition fee income does not cover even the direct costs.

The Board Office reported that information on new positions funded from special needs and increased student fee income was not available. New positions for the special addition of \$75,000, however, cannot be itemized because of need to develop a proposed program. The funding was added to the appropriations bill during the legislative session. A proposed use for the funds needs to be developed by the institution, subjected to the normal review process, and returned to the board for approval, as discussed at its July 1 meeting. In view of the need to follow the normal review and approval procedure, it was premature to issue the final budget with the program on page 56 entitled "Industrial Technology Doctoral Program." The title on both page 56 and in the summary in the institutional budget book should be revised to "Instructional Program - Unallocated."

The institutional budget book contained some items that provided flexibility for expenditures at the administrative level.

The enrollment cost increase contingency was designated for salaries only. The \$153,913 for instruction-professional development leave replacement, unallocated, consists of \$56,732 for salaries and wages for professional development leave replacement, \$80,000 for equipment, and \$17,181 for unallocated instructional expenditures. The president's contingent fund consists of \$50,691 for salaries and \$8,600 for general expense. The unallocated general category of \$268,289 consisted of \$35,040 for wages and salaries, \$106,249 for general expense, and \$127,000 for equipment. The \$70,000 for miscellaneous expenditures were for general expense. The total amount for those items has been increased by 26.9% over 1976-77.

In summary, Mr. Richey said the \$75,000 set aside for a doctorate in industrial psychology should be unallocated.

MOTION:

Mr. Barber moved the board approve the university's final budget of \$30,320,000 as submitted, subject to revision of a program title in the summary and on page 26 to "Instructional Program - Unallocated." Mr. Harris seconded the motion and it passed unanimously.

USER AGREEMENT TO UPGRADE CNW BRANCH LINE. The board was requested to grant the University of Northern Iowa approval to enter into a user agreement with the Industrial Development Association of Cedar Falls, Inc., for contracts between the Association, the Department of Transportation of the State of Iowa, and the Chicago and North Western Transportation Company for the repair and upgrading of a segment of branch railroad line, as described below. This approval would be subject only to the ability of the university to secure a noncancellable long-term lease of contiguous railroad property now utilized for unloading and storage purposes.

As background, the university reported that in May of 1977 it requested and received approval from the board to investigate the possibilities of entering into a user agreement to bring about the repair and upgrading of a branch railroad line essential to the university's present coal-hauling and supply arrangements.

Specifically, the intent is to repair and upgrade a segment of North Western's branch line between Cedar Falls Junction and Cedar Falls, extending a distance of about 7.3 miles, to meet certain Federal Railroad Administration standards. The current estimate of the total cost of this project is \$988,000. Of this amount, the Department of Transportation has agreed to provide a grant to the railroad in the amount of \$329,350. The remainder of \$658,650 is to be provided by the users and an interest free loan of \$329,300 from the Department of Transportation.

The university reported that the Industrial Development Association of Cedar Falls, Inc. has agreed to represent the users for the purpose of contracting with North Western and the Department of Transportation. Among other things, the association would handle the receipt of funds from the various users and the method of refunding. The largest user, by far, is the Cedar Falls Utilities. The next largest is the University of Northern Iowa. The share which the university would be asked to contribute to this project would be \$82,337.50.

The loans will be repaid through a refund allowance per car based upon the revenue per car to the railroad. Assuming approximately 400 cars per year at a revenue of \$500 per car, the university would receive refunds at the rate of about \$20,000 per year. The refunding agreement would last for ten years.

It was noted that a proposed agreement was drawn to be entered into between the Industrial Development Association and the users, individually. These various agreements have been reviewed by counsel for the university. The opinion of counsel clearly indicated that it would be permissible for the university to enter into this agreement.

One issue which has concerned both the university and the board has been the possible restriction of truck transportation through Cedar Falls by the city. Certain restrictions could make difficult, if not impossible, the current arrangements for coal hauling from the railroad site, located near the center of Cedar Falls. In a letter dated May 16, 1977, Mr. Wallace Reed, legal counsel, said the municipality could not prohibit the university from using the streets. It could limit the size and weight of vehicles on certain types of surfaces but there could not be a total restriction on the trucking of coal. The university felt, under these limitations, that it would not be prevented from continuing to utilize local streets for movement of coal from the railroad siding to the university.

Of the issues pending at the time this matter was reviewed by the board in May, the only one as yet unresolved relates to the availability of a long-term noncancellable lease agreement for the unloading site. Mr. Robert Nelson, real estate agent for the railroad office in Omaha has indicated to the university that the proposal for such a lease agreement is currently tied up in corporate procedures and will take a longer time to finalize. He indicated, however, that he anticipated no problems with approval.

To permit the university to take advantage of this arrangement as the only currently feasible way of ensuring its continued capability to supply fuel requirements, it urged the board to approve the request subject only to its ability to negotiate a proper lease for long-term use of the unloading site.

Regent Shaw said he understood the university's share in this would be about \$82,000. He said he also understands that the total that's now going to come from the Department of Transportation either by grant or loan leaves only \$247,000 from other users. He commented that there must not be many others utilizing the branch line as the Cedar Falls Utilities is a much larger user of the line than the university. Vice President Stansbury commented that the Cedar Falls Utilities is putting up the majority of the funds.

Vice President Stansbury said the university is working with the railroad at the present time with respect to funding. He said a number of people have discussed the funding situation and there is confidence that the funding can be raised. He noted that the university has \$82,000 in some extension class funds that will not be expended in the foreseeable few years and that money could be used to be paid back later. Vice President Stansbury noted that the user association would have to come up with \$329,000 of which the university would only need to pay \$82,000.

President Petersen expressed concern about the board using funds that are apparently academic funds at a time when the board is trying to "scrape" for funds for the Bachelor of Liberal Studies program. In response, Vice President Stansbury suggested the university use balances in Treasurer's Temporary Investment funds in the same manner as proposed for the extension class funds. President Petersen said Treasurer's Temporary Investment Funds would be more appropriate in this case.

Mr. Richey asked if a testing laboratory runs tests for the BTU content in the coal used by the university. He also asked if the bill to the coal operator is affected by that content. Vice President Stansbury said the charge works both ways. If there is more BTU, you pay a premium, if less, you get rebate.

MOTION:

Mr. Bailey moved the board grant the University of Northern Iowa approval to enter into a user agreement with the Industrial Development Association of Cedar Falls, Inc., for contracts between the Association, the Department of Transportation of the State of Iowa, and the Chicago and North Western Transportation Company for the repair and upgrading of a segment of branch railroad line, as described above. This approval would be subject only to the ability of the university to secure a non-cancellable long-term lease of contiguous railroad property now utilized for unloading and storage purposes. Mr. Barber seconded the motion and it passed unanimously.

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Thursday, July 28, 1977.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of June 1977 were ratified by the board.

APPOINTMENTS. The board was requested to approve the following appointments:

Eugene Grell, Acting Principal, Upper Elementary Department, Iowa School for the Deaf, salary as budgeted for 1977-78 in the final budget document.

Norman K. Devine, Assistant Superintendent, Iowa School for the Deaf, salary as budgeted for 1977-78 in the final budget document.

MOTION: Mr. Bailey moved the board approve the appointments of Eugene Grell and Norman K. Devine as shown above. Mrs. Belin seconded the motion and it passed unanimously.

ACCEPTANCE OF THE DEPARTMENT OF PUBLIC INSTRUCTION - LETTER OF APPROVAL. The board was requested to accept the Department of Public Instruction's letter of approval.

The Board Office congratulated the Iowa School for the Deaf for its efforts in achieving complete staff certification for the 1976-77 school year. Board members were reminded that Iowa School for the Deaf has had some concern expressed by the Department of Public Instruction over the lack of appropriate certification of Iowa School for the Deaf staff. It was noted that the achievement of this certification represents an important achievement for the school.

The Board Office commented that the certification applies to the past school year and the school will need to make another concerted effort to secure the appropriate certification for all staff during the coming school year.

In absence of objections, President Petersen accepted the Department of Public Instruction's letter of approval of the Iowa School for the Deaf and congratulated the school for its efforts in achieving complete staff certification for the 1976-77 school year.

APPROVAL OF ACADEMIC SALARY SCHEDULE. Action pertaining to this item is found in the general portion of these minutes.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. There were no items on the Register of Capital Improvement Business Transactions for the month of June 1977.

FINAL BUDGET FOR 1977-78. The board was requested to approve the final budget of \$3,195,280 for Iowa School for the Deaf for 1977-78 general program operations.

The Board Office reported that the final operating budget of \$3,195,280 submitted by the institution for general program operations during 1977-78 was at the same level as the preliminary budget approved by the board. Adjustments made to arrive at the final budget involved employee position reclassifications and a reduction in repairs, replacements and alterations.

The transfer of \$34,350 in salaries from Faculty and Institutional Officials to Professional and Scientific represented the position reclassification of the Dean of Boys, Assistant Dean of Boys, Dean of Girls, and Dean of Primary Hall from the Faculty and Institutional Officials area to the Professional and Scientific category, in accordance with the board's prior approval for this change.

The reduction of \$3,900 in general service staff salaries reflects the adjustment in the annualization of 1976-77 increases in general service staff salaries not funded by the recent appropriations action of the legislature. The reduction of repairs, replacements and alterations arises due to an overstatement of funding for that area in the development of the preliminary budget.

The Board Office reported that analysis of the departmental salary component of the 1977-78 budget for the school indicates that approximately 8.2% of the budget is accounted for by vacant positions and extra position funding that is budgeted but not filled. The amount of budgeted but unfilled positions differs only slightly from that in the 1976-77 budget. The institution may fill these positions during the course of the year's operations. It was noted that there is some definite margin of discretionary flexibility retained by the institution in the budget.

MOTION:

Mrs. Belin moved the board approve the final budget of \$3,195,280 for Iowa School for the Deaf for 1977-78 general program operations. Mr. Barber seconded the motion and it passed unanimously.

Mr. Richey reported that the Iowa School for the Deaf received a substantial amount of additional funds both in Title I and from federal fund reimbursements which could have been used for a summer school program. However, the board earmarked those funds for nonrecurring types of expenditures as recommended by the Board Office. Mr. Richey indicated that it might be appropriate for the school to look at its needs for summer school, if any, and look for funds for that program in subsequent years. Superintendent Giangreco said that matter will be explored.

Mr. Richey asked if the school has any summer school program at all. Superintendent Giangreco said the school has summer programs some times while not at others, dependent upon funding. Mr. Richey noted that since summer school sessions were such a high priority educationally speaking at the Iowa Braille and Sight Saving School, he thought it might be of benefit to explore the possibility of same for Iowa School for the Deaf.

VOTE ON MOTION: The motion passed unanimously.

PRELIMINARY BUDGET FOR TITLE I FOR 1977-78. The board was requested to approve the proposed preliminary budget of \$207,034 for the Title I program for 1977-78.

The Board Office reported that the Title I program budget for 1977-78 of \$207,034 will provide funding for continuation of the 1976-77 program with a few minor changes. The funding will provide seven teachers, three teacher aides, four individuals providing various special services to work with children with learning disabilities for the regular academic program.

The summer program will be funded to provide four "outreach teachers" from administrative staff and four "outreach teachers" from classroom teachers, travel expenses, a secretary and general expense.

The program changes in 1977-78 provide for a shift of one position from general service staff to faculty and institutional officials and allow for an additional part-time resource teacher for special services. Taking into consideration the position shifts, faculty and institutional funding increased by 16.2% with all teachers obtaining increases at least in accord with the teacher salary schedule. A couple of regular program members received sizable increases in compensation to reflect changes in responsibilities. Total growth in salary funding, excluding new positions, accounts for an increase of 14.5%.

The Board Office added that the proposed budget for 1977-78 allocated \$9,026 to general expense for travel expense and for equipment. The same 8.0% administrative cost has been applied and accounts for \$16,563 of the 1977-78 proposed budget.

MOTION: Mr. Brownlee moved the board approve the proposed preliminary budget of \$207,034 for the Title I program for 1977-78. Mr. Bailey seconded the motion.

Regent Wenstrand asked for a brief explanation of the "outreach" program. Superintendent Giangreco reported that "outreach teachers" visit each students' home during the summer to better acquaint parents of the school's programs. He noted that this practice has been done for the past 12-15 years and has proven to be a very effective program.

VOTE ON MOTION: The motion passed unanimously.

FACILITIES MASTER PLAN. The board was requested to defer action on an agreement for a Facilities Master Plan until late winter or early spring.

The Board Office noted that the Iowa School for the Deaf requested that it be authorized to enter into an agreement with the firm of Wilscom & Mullins, Inc., of Omaha, Nebraska for the purpose of conducting a Facilities Master Plan for the ensuing ten-year period. The school indicated that this study would be most helpful in determining the deficiencies in its facilities. Cost of this plan would be on an hourly basis not to exceed \$5,000.

The Board Office reported that it has discussed this matter with Superintendent Giangreco and he concurred that the matter can be deferred until late winter or early spring of next year. The reasons for the deferral include the fact that there is a great deal of construction already underway on the campus in terms of the Food Service Addition, Fire Safety Renovations, Girls' Locker Room Addition and other miscellaneous RR&A-type projects. The Board Office felt that those projects should be completed prior to launching into an overall study of the campus facilities. In addition, there is an evaluation of the programs at the school now underway and recommendations of that study should be considered or incorporated into any study of facilities at the school. Finally, the board is committed to making a decision as to governance of the school by December and that study will involve staff at the school and the addition of another study on facilities might provide too heavy of a load.

The Board Office concurred with the concept of development of a campus master plan on facilities would be worthwhile. The Board Office felt that the immediate value of such a study would impact on the nature of the capital askings for 1979-81. If this study would be taken next spring, the results of the study could be utilized in formulating that capital request.

The Board Office indicated that it appears that the most immediate needs of the school involve a decision as to whether or not to renovate the existing laundry building, including rewiring of that facility. Funds are appropriated for that purpose in the Fire Safety project. Current plans would be to enter into a contract with Wilscom & Mullins at the September board meeting to study the entire question of the continued viability of the laundry building. The other immediate problem is that of the vocational program of the school and the adequacy of that space. The board currently has an asking on its capital request for \$405,000 for an addition to the vocational building.

Iowa School for the Deaf reported that the fee would be paid from 1977-78 RR&A funds and would be offset proportionately in any improvements undertaken in the future as a result of this study.

In absence of objections, President Petersen deferred action on an agreement for a Facilities Master Plan until spring.

DEFERRED COMPENSATION AGREEMENT. The board was requested to defer action on the matter of approval of the agreement for deferred compensation between the Iowa School for the Deaf and Dr. James L. Knott, M.D., until more study of the consequences and opinions of such an agreement can be made in terms of the legal, administrative, and policy issues.

The Board Office stated that the essence of this matter is that the school physician for the Iowa School for the Deaf, Dr. James L. Knott, has requested that the school enter into a deferred compensation agreement with him. This agreement would provide that any monies due the school physician would be paid into an insurance policy naming the physician as the insured and Iowa School for the Deaf as beneficiary (although beneficiary may be changed according to the agreement).

The Board Office reported that Dr. Knott is not considered an employee of the school, but is considered a contractor. The current terms of the contract are that the physician is scheduled to receive \$6,994 from the school in exchange for providing routine medical services required in the school's infirmary for fiscal year 1976-77. The deferred payment agreement would have an effective date of August 15, 1976 which would mean that all payments due for fiscal year 1976-77 would be used to initiate the deferred payment agreement.

The Board Office reported that due to the complexity of this subject as presented by counsel and Board Office staff, the issues involving the legal, administrative and policy aspects remain unresolved at this time. The superintendent of the school has been advised of the complexities of the matter. It was emphasized that beyond the legal and administrative questions, there is the larger question of policy. This agreement, if approved, "breaks new ground," as pointed out at the June board meeting. With this "breaking of new ground" comes the question of deciding what criteria should be established for the approval or disapproval of subsequent requests from contractors for deferred compensation agreements. The Board Office stated that although there is probably a means of establishing such criteria, perhaps this should be established prior to initiating approval of a specific request, provided approval is legal.

The Board Office noted that while deferral of the agreement was recommended, it may also be a consideration for the board to seek a legal opinion from the office of the Attorney General (an alternate proposed by counsel). The Board Office added that subsequent to an opinion which would favor this kind of an agreement, the Internal Revenue Service would be contacted to approve a tentative agreement prior to implementation. If such an approval of the Internal Revenue Service would not be forthcoming, the agreement would not be implemented.

Mr. Richey noted that Ms. Casey Mahon, Assistant to the President, University of Iowa, and Mr. Collyn DeNio, Associate Director, Regents Merit System were present for discussion. He added that Ms. Mahon and Mr. DeNio have done some research on this matter for the board.

Mr. DeNio noted that he and Ms. Mahon met with Superintendent Giangreco last evening to discuss this issue. He indicated that the three main complexities in the matter are: the legal question, administration of the program and the policy question. He added that there are two basic ways of instituting a deferred compensation program: 1) by insurance company, or 2) by direct payment to a trust fund or a bank account. In

either case the titles are held with the employer who is the owner and direct beneficiary. The employer is, therefore, named direct beneficiary and is responsible to disburse the funds to the employer or other named beneficiaries as agreed upon. This is the reason the Iowa School for the Deaf was named as beneficiary.

In the case of a tax shelter annuity, the title is held by the employee, and the processing of the fund disbursement would be somewhat different. In addition, the tax shelter annuity program rather than the deferred compensation is usually easier to transfer to a new employer, all things being equal.

The questions surrounding this request related to the problem of Dr. Knott's status as an independent contractor rather than as an employee.

Ms. Mahon commented that the board has never entered into this type of an agreement with an independent contractor. She said statutory authorization may be necessary to enter into this agreement. On the other hand, she said the board may already have the power to enter into this kind of agreement as provided in Chapter 262 of the Code (262.9(11)). She recommended that the board obtain an informal or formal Attorney General opinion on the subject.

President Petersen said she had reservations about the institution's request. She said if adopting a deferred compensation agreement is essential to obtain medical service at the school, it should be adopted; however, she said she personally finds it a distasteful type of an arrangement. She added that she would like to disapprove the request for a deferred compensation agreement at the Iowa School for the Deaf.

Superintendent Giangreco commented that the board's decision on this matter, whether it would be one of approval or disapproval, would be satisfactory to him.

MOTION:

Mr. Brownlee moved the board disapprove the matter of a deferred compensation agreement as proposed by the institution with the understanding that any further investigation be discontinued. Mr. Barber seconded the motion and it passed unanimously.

President Petersen asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the Iowa School for the Deaf. There were no additional matters raised for discussion.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the State University of Iowa was transacted on Thursday, July 28, 1977.

REGISTER OF PERSONNEL CHANGES. There were no actions reported in the Register of Personnel Changes for the month of June 1977.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. There were no actions reported in the Register of Personnel Transactions for the month of June 1977.

FINAL BUDGET FOR 1977-78. The board was requested to approve the final budget for general program operations of \$1,723,051 for the Iowa Braille and Sight Saving School for 1977-78.

The Board Office reported that the final operating budget of \$1,723,051 for general program operations for 1977-78 is at the same level of funding as the preliminary budget approved by the board. The adjustments made in the final budget included employee position transfers, an increase in equipment, a reduction in general expense, and a reduction in the budget for library books.

The transfer of funds from faculty and institutional officials represents the shift of the Dean of Students' position to the Professional and Scientific classification in accordance with the board's prior approval. Within the General Service Employee category, the licensed practical nurse positions previously budgeted in the dormitory section will now be shown under the Medical Service, under the supervision of the head nurse. There were no funds involved in this personnel transfer.

It was reported that a reduction in the General Expense category of \$22,210 reflects the recent analysis of current and past years' expenditures. The 1977-78 budgeted expenditure of \$182,390 represents a 15% increase over the 1976-77 funding, after taking into consideration the reduction in expenditures. This change will allow for release of funding to permit expenditure for more critical needs of the institution.

A reduction in expenditure of \$6,000 was budgeted for the acquisition of library books. The final budget will be \$2,000, which, together with the books supplied through American Printing House for the Blind under Health, Education and Welfare funding of \$9,000, should adequately fund library books acquisitions according to the institution.

The funding available from General Expense and Library Books will be transferred to fund the purchase of equipment which is budgeted at \$52,500 for 1977-78, reflecting the addition of \$30,500 to the 1976-77 budget level of \$22,000.

The Board Office indicated that a portion of the salary savings in faculty and institutional officials' salaries will be used to make up the \$2,609 necessary to fund the annualization adjustment of 1976-77 increases in general service staff salaries not funded by the recent appropriations action of the legislature.

The effect of these changes nets out to the same level as approved for the preliminary budget of \$1,723,051 for 1977-78 general program operations.

It was noted that analysis of the departmental salary component of the 1977-78 budget for Iowa Braille and Sight Saving School reveals that approximately 6.1% of the budget was accounted for by vacant positions and extra position funding that was budgeted but unfilled. The amount of budgeted but unfilled positions varies minimally from that in the 1976-77 budget. During the course of the year these positions may be filled at the discretion of the institution.

MOTION:

Mr. Barber moved the board approve the final budget for general program operations of \$1,723,051 for Iowa Braille and Sight Saving School for 1977-78. Mr. Harris seconded the motion and it passed unanimously.

PRELIMINARY BUDGETS FOR TITLE I AND TITLE VI. The board was requested to approve the preliminary budgets for Title I of \$63,112 and Title VI of \$123,040 for 1977-78.

The Board Office reported that the Title I budget for 1977-78 of \$63,112 will provide funding for two teachers, one therapeutic recreation director, one teacher aide, and funds to supplement state provided funds for home weekend trips. The budget will support the continuation of individualized instruction for continuation of the therapeutic recreation program, continuation of the parent workshop program to assist parents in supporting student development needs, and for the home weekend busing of children to their respective localities.

The Title VI (Deaf-Blind) Program budget of \$123,040 for 1977-78 represents funding of \$73,150 from the South Central Regional Center and \$49,890 from the Iowa State Department of Public Instruction. The program funding will provide services for 11 deaf-blind students during the year with the following staffing: 1.5 FTE teachers, .25 FTE psychologists, .20 FTE speech clinicians, two FTE houseparents, and 7.5 FTE dormitory and classroom aides.

MOTION:

Mr. Bailey moved the board approve the preliminary budgets for Title I of \$63,112 and Title VI of \$123,040 for 1977-78. Mr. Harris seconded the motion and it passed unanimously.

President Petersen asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the Iowa Braille and Sight Saving School.

IOWA BRAILLE AND SIGHT SAVING SCHOOL
July 28, 1977

RESOLUTION FOR MANUAL OR FACSIMILE SIGNATURE. The board was requested to rescind the action taken by the board on April 20-21, 1977 appointing Dorothy M. Petrucci as Acting Superintendent of the Iowa Braille and Sight Saving School. The following resolution was recommended in place of the current one:

RESOLVED, that the State Bank of Vinton and the Benton County Bank and Trust Company, both located in Vinton, Iowa, as designated depositories of the Iowa Braille and Sight Saving School be and they are hereby requested, authorized and directed to honor checks, drafts or other orders for payment of money drawn in the name of the Iowa Braille and Sight Saving School, including those payable to the individual order of any person or persons whose name or names appear thereon as signer or signers thereof when bearing or purporting to bear the manual or facsimile signatures of both Richard M. DeMott, Superintendent, and M. D. Berry, Treasurer, acting jointly, and the said banks shall be entitled to honor and charge said Iowa Braille and Sight Saving School for such checks, drafts or other orders, regardless of by whom or by what means the actual or purported facsimile signatures thereon may have been affixed thereto, if such signatures resemble the facsimile specimens duly certified to or filed with the said banks by the Superintendent and the Treasurer of the the said Iowa Braille and Sight Saving School; and

BE IT FURTHER RESOLVED, that this resolution, when adopted, will supercede all prior resolutions dealing with matters herein set forth.

MOTION:

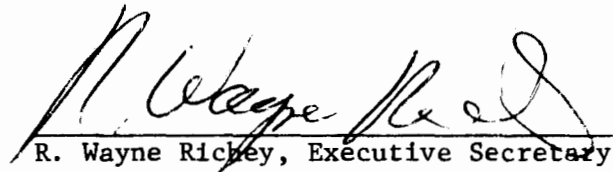
Mr. Wenstrand moved the board rescind the action taken by the board on April 20-21, 1977 appointing Dorothy M. Petrucci as Acting Superintendent of the Iowa Braille and Sight Saving School and moved that the above resolution be approved. Mr. Bailey seconded the motion and it passed unanimously.

SUMMER SCHOOL SESSION. Mr. Berry commented that he felt that if former Superintendent Woodcock were still at the school, some of the school's surplus funds might have been used this year for a pilot program for the school. He indicated that the need is still there. At the present time the school is aiming at a June summer school session for the low retention students. The school is currently undergoing and will be finishing a six-week summer school program funded entirely through Title VI funds.

Mr. Richey noted that generally the Iowa Braille and Sight Saving School is free to transfer monies between budget categories. In this case, however, he suggested it come back to the board prior to implementation as this involves a substantial reallocation of funds. Business Manager Berry responded by saying the school will present it to the board in detail prior to implementation.

EXPRESSION OF APPRECIATION. President Petersen expressed thanks on behalf of the board to Acting Superintendent Dorothy Petrucci for the work she has done in the position of acting superintendent at the school.

ADJOURNMENT. The meeting of the State Board of Regents adjourned at
5:10 p.m. on Thursday, July 28, 1977.



R. Wayne Richey, Executive Secretary