

The State Board of Regents met at Iowa State University on Thursday, March 13, 1980. Those present were:

March 13, 1980

Members of State Board of Regents:

Mrs. Petersen, President	All Sessions
Mr. Bailey	All Sessions
Mrs. Belin	Excused
Mr. Brownlee	Excused
Dr. Harris	All Sessions
Mrs. Jorgensen	All Sessions
Mr. Neu	All Sessions
Mr. Shaw	All Sessions
Mr. Wenstrand	All Sessions

Office of the State Board of Regents:

Executive Secretary Richey	All Sessions
Director Grant	Arr. 11:45 a.m.
Director Maxwell	Arr. 11:45 a.m.
Director McMurray	All Sessions
Director Volm	Arr. 11:45 a.m.
Ms. Mininger	All Sessions
Ms. Baker	All Sessions

State University of Iowa:

President Boyd	Exc. 1:55 p.m.
Vice-President Bezanson	Exc. 1:55 p.m.
Vice-President Brodbeck	Exc. 1:55 p.m.
Assistant Vice-President Small	Exc. 1:55 p.m.
Assoc. Director Brisben	Exc. 1:55 p.m.
Assistant Vice-President Phillips	Exc. 1:55 p.m.

Iowa State University

President Parks	All Sessions
Vice-President Christensen	All Sessions
Vice-President Hamilton	All Sessions
Vice-President Moore	All Sessions
Assistant to Vice-President Madden	All Sessions
Assistant to President Henry	Arr. 11:30 a.m.

University of Northern Iowa:

President Kamerick	Exc. 2:05 p.m.
Provost Martin	Exc. 2:05 p.m.
Vice-President Stansbury	Exc. 2:05 p.m.
Director Kelly	Exc. 2:05 p.m.
Assistant to Vice-President Walton	Exc. 2:05 p.m.

Iowa School for the Deaf:

Superintendent Giangreco	Exc. 12:00 p.m.
Business Manager Kuehnhold	Exc. 12:00 p.m.

Iowa Braille and Sight Saving School

Superintendent DeMott	Exc. 12:00 p.m.
Business Manager Berry	Exc. 12:00 p.m.

## GENERAL

The following business pertaining to general or miscellaneous items was transacted on Thursday, March 13, 1980.

APPROVAL OF MINUTES. President Petersen noted that the minutes of the February 20-21, 1980, board meeting had just been distributed so it was not possible to approve them. Board members were asked to review the February minutes at their convenience and send in any corrections to the secretary. The minutes will be approved at the April board meeting.

REPORT OF IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION. President Petersen reported that the council learned the Data Collection Committee has been authorized to move ahead in computerizing the material they collect every year. The committee has been assured that this is a useful document and serves a useful purpose.

The council heard a report on the various projects of the Lifelong Learning Project and on various outreach programs being worked on.

The council also heard about some of the programs of the state Department of Public Instruction (DPI). The DPI answered questions about the various procedures it uses in lining up new programs, costs, etc.

The next report the council heard was about an unaccredited institute in Fayette which appears to be offering a masters program. Evidently an unauthorized and unaccredited group is responsible for the program. President Petersen said she assumed a further report on this institution will be made in the future.

President Petersen called attention to the next meeting of the Iowa Coordinating Council which will be held at IPBN in May. There will be a review on the last of the Carnegie Council on Policy Studies in Higher Education Final Report Three Thousand Futures. Mr. Richey noted there may be some discussion on issues raised in the report that might relate to this state.

REPORT ON MEETING OF THE IOWA COLLEGE AID COMMISSION. Regent Bailey said the commission also received a report on the computerization of the material of the Data Collection Committee.

He said that the comprehensive planning grant, which has been available for several years, has been used for promotion and work with continuing education for the past three years. The commission decided to continue mainly in that area with the funds that will become available during the next year.

Regent Bailey said the commission was assigned to check college and university campuses, private as well as public, for their abilities to handle the handicapped and adapt facilities for them. The commission asked the Board Office to participate in this assignment and Regent Bailey thanked the Board Office for its cooperation. He noted three campuses are still to be visited.

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President Petersen received the report on behalf of the board and thanked Regent Bailey.

REPORT ON MEETING OF THE BANKING COMMITTEE. Regent Wenstrand reported that the Banking Committee discussion centered on two topics: 1) criteria for selecting depository banks and 2) initiation of a review of the institutional treasurer function.

In the area of selecting depository banks the committee discussed escrow agreement policy and basic services of banks. The committee felt it would be good for the institutions to identify the services they think are valuable. The committee will attempt to quantify the value of these services.

In the area of a review of the institutional treasurer function, the committee noted it has been 20 years or so since a review of this type took place at the Regental level. The review would include a study of the responsibilities of the treasurers and an evaluation of procedures used, as well as an assessment of the surety bond level for institutional treasurers.

President Petersen received the report on behalf of the board and thanked the committee for its work.

REPORT ON FUEL AND PURCHASED ELECTRICITY BUDGETS, 1979-80. The board was asked to reaffirm the original supplemental appropriation request for \$225,000 to cover the 1978-79 deficit and to ratify a revised supplemental appropriation request to cover an estimated 1979-80 deficit of \$427,000 to be drawn to the extent needed. The revised total supplemental appropriation request for fuel and purchased electricity would amount to \$652,000.

The Board Office explained that a special appropriations subcommittee on energy was established this legislative session. It has been assigned to consider agency requests for supplemental funds for fuel and purchased electricity and motor vehicle fuel. This committee has requested a redetermination of energy needs for 1979-80.

Motor vehicle fuel is included in the Regent supplemental budget request for supplies and services where it is included in travel expense. Therefore, motor vehicle fuel has not been included in the Regent fuel and purchased electricity request to the special subcommittee.

In response to a legislative request, the revised institutional estimate of the deficit for 1979-80 in the amount of \$652,000, including a \$225,000 deficit carried forward from 1978-79, has been furnished to the State Comptroller and the Legislative Fiscal Bureau. The revised estimate of need amounts to a reduction of about 9% in estimated expenditures. Warmer winter weather than anticipated and actual experience through the first seven months of the fiscal year are the bases for the revised request. There has been some reduction

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in total energy units estimated and some increase in unit costs since the original requests. State environmental quality requirements are incorporated in the revised request.

The \$652,000 represents a net reduction of \$966,000 from the Governor's original recommendation. The Governor recommended \$157,000 for supplemental appropriation for additional deficits this year.

The Board Office noted there are two issues involved in the Governor's recommendation that need to be addressed: 1) the intent of the legislature regarding "pass-through" of energy costs and 2) energy requirements of Iowa State University to meet environmental quality standards.

The Board Office said the Legislature has, since 1976, appropriated funds for fuel and purchased electricity with a provision which allows use of any excess funds for other purposes and its intent to provide additional funds, if needed.

The Board Office noted the pass-through provision has proved to be an incentive for energy conservation as intended by the Legislature and it needs to be continued because of the unpredictability of energy prices and weather conditions.

Mr. Richey noted the special subcommittee on energy acted to appropriate \$225,000 to offset last year's deficit and provided \$157,000 for additional deficits that might occur this year. He said the committee has given some notice that they may not continue in the next session of the Legislature in terms of providing additional funding for 1980-81 or in the next biennium. This approach by the committee is the result of heavy urging by the state comptroller who is opposed to the pass-through concept for the Board of Regents. Mr. Richey said this concept has been of major benefit and the board and institutions have led the way in the state for energy management and energy conservation programs. The Board Office attempted to point this out to the Comptroller but was apparently not successful. He said loss of the pass-through provision could be a very serious problem.

The Board Office in conjunction with the institutions prepared an excellent 21-page report on energy conservation, management, prices, etc. It is the type of report the state is going to require other state agencies to prepare and submit to the Energy Policy Council as a condition for drawing funds from a central account to be administered by the State Comptroller.

Regent Bailey asked if the State Comptroller wanted to have emergency funds under his jurisdiction that would allow him to dole them out. Mr. Richey said this was true. At the time the Comptroller proposed the central fund, he was not questioning the pass-through provision so the Board Office did not oppose the central fund. When it was found the Comptroller was opposed to the pass-through concept, the Board Office expressed its concerns to the subcommittee and asked it to make

a direct appropriation to the board. Regent Bailey noted that elimination of the pass-through provision would take away some of the prerogative of the board.

President Petersen said the board is depending upon being able to utilize its savings to help finance the last years of the energy savings program and asked if that program would be affected. Mr. Richey said this is unclear and is still an open issue. It appears the Legislature intends to put any savings earned into the state treasury and distribute them as it sees fit. He noted the request of the board had been reduced by \$400,000 by the Legislature in order to appropriate that amount to the Highway Patrol. Therefore, he said, the use of savings for energy conservation still needs to be defined.

President Petersen said that the track record of the board was very good and that as it moves forward in saving money, this would be very helpful in support for appropriating its share of the savings. She noted there is no question that the board will need more facts, figures, and persuasion.

In the area of energy requirements of Iowa State University to meet environmental quality standards, the Board Office noted an additional request from Iowa State University for \$540,000 for higher priced better grade coal was submitted last December when it was learned of non-compliance with environmental quality standards. The standards are established in the Administrative Code which has the force of law and includes penalties for noncompliance.

Iowa State University estimated an additional cost of using more out-of-state coal at higher prices to meet the environmental quality requirements which is offset by a 7% reduction in fuel consumption relative to last year.

The revised estimate of November to meet environmental quality standards was based on using western or washed midwestern coal for about one-half of the requirement to meet the environmental requirements. This ratio of coal sources was implemented early in 1979-80. Following tests of various coal sources, it has become necessary to use 100% western or washed midwestern coal. Under these conditions, the price for the last five months of 1979-80 is estimated at \$1.97 per MMBTU. This raises the average price for the fiscal year from an estimated \$1.60 to an estimated \$1.74.

The Board Office said the State Comptroller's Office recommendation to delete the \$540,000 additional supplemental appropriation request was based on the inability to obtain nonpolluting coal during this fiscal year before the heating season was over. The Board Office noted this was an invalid assumption.

In view of the misunderstandings regarding the Iowa State University coal quality requirements and coal availability and legislative intent on funding Regent institutions fuel and purchased electricity needs, the Board Office recommended the revised supplemental appropriation request to cover an estimated 1979-80 deficit of \$427,000 be ratified. The

total supplemental appropriations request including the \$225,000 1978-79 deficit carried forward to 1979-80 would amount to \$652,000.

MOTION:

Dr. Harris moved that the original supplemental appropriation request for \$225,000 to cover the 1978-79 deficit be reaffirmed and that a revised supplemental appropriation request to cover an estimated 1979-80 deficit of \$427,000 to be drawn to the extent needed be ratified. Mr. Shaw seconded the motion and it passed unanimously.

LEGISLATIVE REPORT, 1980. The board was asked to accept the Legislative Report, noting especially the changes in positions noted in the Summary Report. This report covered key legislative actions and new legislation introduced from February 13 to March 10.

The Board Office reported that in the category of supplemental operating requests the Senate Appropriations Committee reported out S.F. 2291 which appropriates \$1,056,000 to the board to replace actual losses of federal funds for capitation grants by the Colleges of Dentistry, Medicine, Veterinary Medicine, Pharmacy, and Nursing. The funds are not to be allocated unless there is actually a loss of federal funds for capitation grants and the State Comptroller has reviewed the amount of the loss and approved the allocation of funds.

Mr. McMurray told the board this bill passed the Senate and is now on the House calendar.

Other sections of this bill dealing with education are:

1. The State Educational Radio and Television Facility (ETV) Board can provide certain communications services for other public agencies and non-profit corporations and collect the cost of providing such services plus a separate equipment usage fee. Fees shall be deposited in the capital Equipment Replacement Revolving Fund.
2. The ETV Facility Board can establish a Capital Equipment Replacement Revolving Fund and use such funds to purchase technical equipment for operating the ETV facility.
3. An amendment to Section 270.1 of the Code deletes the provisions that the superintendent of the School for the Deaf can receive board or supplies as part of his/her salary. The Board Office noted this action is in line with legislative intent to generally eliminate such board provisions from contracts of superintendents. This concept is also expressed in H.F. 2487 deleting fringes for all social service superintendents as far as board is concerned.

This provision is not applied to the superintendent at Iowa Braille and Sight Saving School because the change was made prior to hiring the most recent incumbent for that position. The board had determined it would



continue the board provisions for the superintendent of Iowa School for the Deaf although the matter is subject to annual review. The board values food at \$900 annually. Both superintendents receive housing which is valued at \$900.

4. An appropriation of an additional \$30,000 is made to the Iowa College Aid Commission for fiscal 1981 to supplement the funding of the National Guard Educational Program. This program is currently funded at \$50,000 annually.
5. An increase in the appropriation for ETV operating funds is made from \$5,69 to \$4,821,000 for fiscal year 1981.
6. Funding of \$1,000 for FY 1980-81 of programs for gifted or talented children operated by the Department of Public Instruction and funding of an additional \$31,000 for support services for this program for FY 1980-81. If federal funds become available for that purpose, the amount of the state appropriation would be reduced through a reversion process.

The Board Office noted that action on the fuel and purchased electricity request is outlined in the preceding report on Fuel and Purchased Electricity Budgets, 1979-80.

The Board Office noted no action has occurred on the board's request for \$3,618,000 for fiscal year 1981 for supplies and services.

The Board Office said no official action has taken place on the issue of salary increases. Some work in drafting legislation has been done. The matter is being considered by a Salary Increase Committee.

The Board Office noted that capital appropriations have not been considered by the full appropriations committees.

House Concurrent Resolution 111, the hospital bonding resolution, was passed by a constitutional majority in both houses and will be sent to the Governor for signature. The resolution becomes effective Thursday, March 6.

The Board Office reported no action has taken place on reappropriation of funds to the Iowa State University Agriculture Experiment Station to conduct a study and research of grain grading, testing, and pricing in Iowa.

The reappointment of Regent Brownlee and the appointment of Regent Jorgensen remain on the confirmation calendar of the Senate.

Mr. McMurray noted the Senate has passed a bill dealing with the appointments procedure. It should cause action on appointments to move more rapidly. Mr. Richey noted that the new bill would change the terms of Regents' appointments to May 1 through April 30. This means all board members' expiration of appointment dates would change.

The Board Office said actions have taken place on the following carryover legislation:

H.F. 18 - This bill makes the state documents depository law somewhat flexible by more closely defining state publications.

The bill has been signed by the Governor and will be effective July, 1980.

H.F. 160 - This bill would require the Department of Public Instruction to promulgate rules for the identification and development of special education programs appropriate for autistic children.

The bill has passed the House and is now in the Senate Education Committee.

H.F. 687 - This bill amends Section 68B.2 of the Code dealing with gifts. The bill defines "gift" as a rendering of money, property, services, discount, loan forgiveness, payment of indebtedness, or anything else of value in return for which legal consideration of equal or greater value is not given and received. The Governor is required to issue an Executive Order relating to the reporting of gifts made to officials and employees of the Executive Department of the state and their immediate family members. The Executive Order shall require public disclosure of the nature, amount, date, and donor of any gift made to an individual which exceeds \$15 in value in any one occurrence. Failure to make public disclosure of gifts results in a serious misdemeanor. The bill also amends Section 68B.5 of the Code and provides that no gift having a value of \$50 or more at any one occurrence can be accepted or received.

This bill was signed by the Governor and will go into effect July 1, 1980.

H.F. 690 - This bill would require a health practitioner or facility to furnish X-rays upon request of a client to another practitioner or facility. Records must be returned to the practitioner who developed them. However, copies of records may be provided and need not be returned if the practitioner providing the copies consents.

This bill was reported out of Senate committee and is currently on the Senate Regular Calendar.

S.F. 202 - This bill deals with dormitories for merged areas. The governing board of a merged area would be able to carry out a project at an institution and operate, control, maintain, and manage student residence halls and dormitories, including dining facilities and other incidental facilities at an institution. Part of the bill provides that the board may borrow money, issue and sell negotiable bonds or notes, etc., for the project. The project could not be undertaken unless it has been submitted to the State Board of Public Instruction, it has been found by resolution that the proposed project appears likely to implement the educational objectives of the merged areas, and it appears probable that the proposed project will be in the best educational interest of the inhabitants of the merged area and of Iowa. No project would be approved which would provide student dormitories in excess of 25% of the full-time equivalent enrollment in vocational programs at that location of the merged area school for the previous year.

The Board Office said the bill was reported out by the Education Committee totally amended from what was originally filed. It is now on the regular Senate Calendar. The board has no position on this matter.

In response to a question from Regent Neu, Mr. Richey noted that there appears to be a real push for action to take place on this bill. Mr. McMurray added there is an indication it might receive consideration in this session because of the number of amendments that have been filed.

H.F. 471 - This bill amends Section 258.9 of the Code dealing with local advisory councils for vocational education. That section of the Code is changed to read:

The board of directors of a school district that maintains a school, department, or class receiving federal or state funds under this chapter shall, as a condition of approval by the state board, appoint a local advisory council for vocational education composed of public members with emphasis on persons representing business, agriculture, industry, and labor. The local advisory council shall give advice and assistance to the board of directors in the establishment and maintenance of schools, departments, and classes that receive federal or state funds under this chapter. Local advisory councils may be organized according to program area, school, community, or region. The state board shall adopt rules requiring that the memberships of local advisory councils fairly represent each sex and minorities residing in the school district. Members of an advisory council shall serve without compensation.

The bill has been signed by the Governor and will go into effect on July 1.

S.F. 500 - This bill deals with a franchise tax on financial institutions. It would ~~set~~ a flat franchise tax rate of 5%, include interest income of securities of the state of Iowa and its political subdivisions in income subject to the tax, change the current exemption from tax to 50% of income from federal securities to no exemption, make the provisions retroactive to January 1, 1979, and provide that franchise taxes paid or accrued during the taxable year be included in that income.

Direct financial impact of this bill would be to first reduce state revenues with the inclusion of income on state securities in income subject to the tax. The second impact would be to increase revenues due to the provisions that franchise tax paid or accrued during the taxable year be included in that income. Direct financial impacts would be approximately offsetting.

The Board Office noted that for Board of Regent bonds and for all municipal bonds this would probably mean a slight increase in the cost of these bonds in the marketplace although it will not directly affect the marketability of the bonds. It would make municipal bonds slightly less attractive for financial institutions to take the bonds into their own portfolios. This could mean an increase in bonds of about 10 basis points.

The Board Office said the second part of the bill is needed by municipalities because it provides for a temporary increase in the interest rate limitation on municipal bonds equal to the sum of the rate actually specified in the law plus 2 percentage points. Such a provision would remain in effect until such time as the General Assembly specifically changed the rate specified in that section.

This bill has passed the Senate and is currently in House committee. It has a publication clause and would go into effect after publication.

The Board Office reported on the following key new bills introduced:

H.F. 2240 - This bill would change the public records law to provide that the official file of those holding borrowing privileges at a library and the circulation records of the library shall be confidential records.

This bill has passed both houses and has gone to the Governor for action.

H.F. 2280 - This bill would remove the requirement for agreements of agencies for the joint exercise powers under 28E of the Code to be recorded with the county recorder. Current law requires that such agreements be filed with the Secretary of State and recorded with the county recorder.

The Board Office said both the University of Iowa and Iowa State University indicated they were in favor of this bill.

Regent Bailey noted a bill was passed several years ago providing for cooperation between various state agencies. He suggested that these agreements continue to be recorded at the local level so people would not have to travel to Des Moines to get information. Regent Neu agreed and noted that most agreements are between counties and cities and the people involved in them are at that level. He said he would prefer to see the agreements recorded where the services were primarily being done. He asked why the institutions favored this bill.

Vice-President Madden said Iowa State University really had no position. It was the general feeling of the institution that these agreements are on file in institutional records which are open to any one. The current law does not present much of a problem as long as the agreements are limited within an area. He said it is possible to be involved in an agreement where it might be necessary to file it in several counties. This could create a small administrative problem but there are very few of these situations.

Regent Bailey indicated he would prefer the board take a neutral position. Even if it does impose additional work on the institution, it saves trips to Des Moines for people.

MOTION:

Mr. Bailey moved that the board change its position of favoring H.F. 2280 to one of no position. Mr. Neu seconded the motion and it passed unanimously.

H.F. 2393 - This bill would prohibit an employer from requiring a polygraph examination of applicants as a condition of employment, as a condition of further interview regarding employment, or as a condition of continued employment.

The bill has been reported out of committee and is currently on the House Calendar.

S.F. 2073 - This bill would create an Iowa Tuition Differential Grant of up to \$750 per year for all full-time and up to \$375 for all half-time resident students attending private colleges or universities in the state. The Tuition Differential Grant may be in addition to the tuition grant or the state scholarship.

The Senate has passed the bill but no funding was provided. The Board Office noted newspaper comments indicated it is the intent of the Legislature to establish the program this session and fund it at a later session.

H.F. 2224 - This bill would require all state buildings constructed after July 1, 1981, to include a solar powered water heating system. The State Comptroller would not issue a warrant for payment of a construction contract for a water heating system in a building unless it used a solar energy system as a primary source of power.

The bill is in committee and may not receive action.

The Board Office recommended opposition to this bill because the current state of solar heating technology makes it impractical to install solar collectors and gain any type of reasonable return on the investment.

The Board Office noted the institutions and state will look at the alternative of solar collectors for water heating systems in new construction, and when feasible, such collectors will probably be used.

S.F. 2232 - This bill would add another exemption to the open meetings law. It would read:

To discuss strategy in matters relating to contracts offered under Chapter 279 of the Code to teachers who are not covered by a collective bargaining agreement under Chapter 20 of the Code and administrators and relating to contracts offered to non-certificated school employees.

The bill was reported out of the Senate Education Committee and is on the Senate Calendar.

S.F. 2241 - This is a miscellaneous appropriation bill including a supplemental deficiency appropriation of \$87,000 to the ETV Board and a supplemental deficiency appropriation of \$40,000 to the Energy Policy Council. It would remove the restriction on full-time equivalent positions for that agency for one year.

The bill has passed the Senate and is in the House committee.

S.F. 2257 - This bill would allow children who will not be 5 years of age by September 15 to be admitted to kindergarten. It would require the area education agency administrator to certify the children who are eligible to enter kindergarten at an earlier age and provides that the test and evaluation used must be approved by the Department of Public Instruction.

The bill has been reported out of the Senate Education Committee to the Calendar without recommendation.

S.F. 2269 - This bill would abolish the Police Communications Review Committee and establish a Communications Review Committee to review the state use of communications. The review committee would consist of three Senate members and three House members. The primary duty of the committee would be to review the present and proposed uses of communications by state agencies and the development of a statewide communications plan including a review of the work of the State Communications Advisory Council.

The Board Office noted it was working to insure that the review of communications by state agencies does not relate to review of internal university programs.

The bill is on the Senate Calendar.

S.C.R. 117 - This resolution noted that the cost to the state of the Chronic Renal Disease Program administered by the State Department of Health has dramatically increased. Therefore, the Legislative Council should direct the Legislative Fiscal Bureau to conduct a program evaluation of the Chronic Renal Disease Program and provide recommendations regarding cost containment.

The resolution has been reported out by the Senate Appropriations Committee and is on the Senate Calendar.

The Board Office reported on the following study bills:

S.S.B. 2242 - This bill deals with a number of supplemental operating appropriations. It includes an appropriation of \$41,000 for staffing the State Communications Advisory Council for fiscal year 1980-81. One full-time staff person would be provided.

S.S.B. 2228 - This bill also deals with a number of miscellaneous appropriations including \$100,000 to the Energy Policy Council (EPC) to implement training programs for appropriate personnel to provide energy audits of public buildings; \$10,000 to EPC to implement life-cycle costing procedures; and \$75,000 to the Iowa Development Commission for the promotion of gasohol and associated byproducts and to provide simple plans for farm stills.

S.S.B. 2259 - This bill would change retainage to a straight 5% and limit the escrow account provisions to "heavy construction." Building projects would not utilize an escrow account on retainage.

The Board Office noted the institutions indicated the proposal would be helpful and would provide adequate retained funds for the purposes for which such funds are taken.

S.S.B. 2061 - This bill would require that 10% of parking spaces be set aside for handicapped parking. This would apply only to those buildings and facilities under construction or being constructed after the effective date of the bill. Current rules require such buildings to have an appropriate number of handicapped parking spaces but do not designate a specific number of spaces to be provided.

The Board Office said the universities believe a setaside of 10% is excessive. The University of Iowa pointed out that experience shows 1% to 2% of total parking available is sufficient to meet the needs for handicapped parking at the university.

President Petersen noted that if this bill receives consideration, the board should take advantage of the opportunity to testify as to the amount of handicapped parking that is really necessary. Loss of these parking spaces would result in loss of money being generated by the parking system. She said the board wanted to provide an adequate amount of handicapped parking but that it should not be excessive.

H.S.B. 715 - This bill would require that school transportation equipment purchased by school boards and area education agency boards be purchased under a single contract negotiated by the Department of General Services in cooperation with the Department of Public Instruction.

H.S.B. 712 - This bill would provide that the Iowa State Arts Council prepare plans to insure that the fine arts elements are integrated into state buildings. The bill would remove the one-half of one percent requirements and provide that the cost of a project shall be a recommended by the council subject to approval by the State Executive Council.

President Petersen said the board was concerned about having the Arts Council become involved in the art elements of its buildings. However, Mr. Richey said this was no longer a problem.

H.S.B. 728 - This bill would clarify the requirement for reports to be filed with the General Assembly by providing that they be filed with only the Secretary of the Senate and the Chief Clerk of the House unless the statute specifies that each member of the General Assembly receive a copy. It would prohibit a report from containing color photographs, designed cover pages, or being printed on coated paper and require state facilities to be used for printing purposes as often as practicable.

President Petersen accepted the report on behalf of the board.

CASUALTY LOSS POLICY. The board was asked to adopt a revised board policy on casualty loss claims.

The Board Office noted that on January 15, 1980, the Executive Council adopted guidelines for the allocation of 29C.20 funds. This is a

RECOMMENDED REVISION MARCH, 1980

7.12 Casualty Loss Claims

- A. All loss occurrences of \$5,000 or less shall be absorbed by the Regent institutions (unless the aggregate of all such losses in any fiscal year exceeds \$15,000 for the University of Iowa and Iowa State University, \$10,000 for the University of Northern Iowa, or \$5,000 for the Iowa School for the Deaf or the Iowa Braille and Sight Saving School).
- B. Claims for all losses estimated to exceed \$5,000 (or annual aggregate of all losses of \$5,000 or less which exceed \$15,000 for the University of Iowa and Iowa State University, \$10,000 for the University of Northern Iowa, or \$5,000 for the Iowa School for the Deaf or the Iowa Braille and Sight Saving School) shall follow the formal internal procedures.
- C. Formal internal procedures for reporting and payment of losses due to disaster are as follows:
  1. The institution shall be responsible for prompt notification of the Board Office under procedures established administratively. Such notification shall occur no later than the next regular working day following the loss.
  2. A representative of the Board Office will normally contact both the secretary of the State Executive Council and a representative of the State Auditor's Office. The Board Office representative will give the aforementioned officials general information and will seek authority, on behalf of the institution, to proceed with emergency work. The institution shall be notified by the Board Office of this authorization, if granted.
  3. The institution should prepare immediately and submit to the Board Office within five working days of the loss a brief written description of the damage and/or loss including preliminary cost estimates of the loss sustained. The institution should proceed to draw up necessary plans and specifications for repairs, equipment, buildings, etc.
  4. The institution shall then prepare and submit a formal report of the loss to the Board Office. The report would include a description of the loss and cost estimates for restoration and



replacement of property damaged and destroyed. Such report shall be submitted within 45 days of the occurrence unless permission for an extension of time has been formally granted by the Board Office.

5. The Board Office would, after review of the formal written report, request the Executive Council to allocate funds by resolution and to authorize the institution to proceed with necessary repairs and replacement in accordance with Board of Regent established policy and procedures.
  6. Following Executive Council action on the above request, if favorable, the institution would proceed with repairs and replacement in accordance with Board of Regent procedures.
  7. The Executive Council, on advice of the State Auditor, would prescribe how claims are to be submitted for reimbursement and would approve payment forms for reimbursement. Claims usually can be submitted for payment either as accumulated during the life of the project or upon completion of the project.
  8. All requests for claims shall be submitted to the Board Office for transmittal to the Executive Council.
  9. Each institution shall file with the Board Office a semiannual status report dated July 1 and January 1 on those projects for which the Executive Council has allocated funds and which have not been finally reported prior to the closing date for the report.
  10. A final report shall be prepared and transmitted to the Board Office on each project immediately after receipt of the final payment on a project.
- D. Executive Council of Iowa Guidelines for the Allocation of 29C.20 Funds.
1. The loss must be reported to the Secretary of the Executive Council and to the Auditor of State on or before the end of the next regular working day following the loss.
  2. Any losses claimed for theft must be accompanied with a police report written by the appropriate security force for the jurisdiction submitting the claim.
  3. Expenses for necessary demolition, debris removal and cleanup will be allowed.
  4. Expenses to provide necessary repairs to protect or preserve the damaged property until the ensuing session of the Legislature will be allowed.
  5. Expenses essential to the continuation of a program or service until the ensuing session of the Legislature will be allowed.

6. All permanent repairs or acquisition of replacement tools or supplies, which are estimated to cost in excess of \$500,000 per loss, will be referred to the Legislature for an appropriation, except in those instances where the cost of temporary measures could reasonably be expected to exceed the cost of permanent repairs or replacement within the dollar guidelines established herein.
  7. No claim will be allowed for the replacement of any equipment damaged or destroyed, the loss of which could have been avoided by reasonable care, prudence and foresight.
  8. No claim will be allowed for the repair or replacement of any property which is not owned by the state or federal government. For the purposes of this rule, claims for state property will be allowed when inventoried in accordance with the rules promulgated by the Department of General Services. Claims for federal property will be allowed when the acquisition of such property was authorized by the terms of a grant.
  9. All claims against 29C.20 funds shall be forwarded by the Secretary of the Executive Council to the Auditor for review and recommendation. In all cases, a copy of the Auditor's recommendation shall be forwarded to the claiming agency. Whenever the Auditor does not approve the total amount claimed, he shall seek to resolve the differences with the claiming agency. If the differences cannot be resolved, the agency may provide the Council with a written response and/or request a personal appearance before the Executive Council.
  10. All requests for warrants against an Executive Council allocation shall first be reviewed and a recommendation made to the Executive Council by the Auditor of State. In all cases, a copy of the Auditor's recommendations shall be forwarded to the claiming agency. Whenever the Auditor does not approve the total amount requested, the Auditor shall seek to resolve the differences with the claiming agency. If the differences cannot be resolved, the agency may provide the Council with a written response and/or request a personal appearance before the Executive Council.
- E. A contingent fund is created in the state treasury for the use of the Executive Council which may be expended for the purpose of paying the expenses of suppressing any insurrection or riot, actual or threatened, when state aid has been rendered by order of the Governor, and for repairing, rebuilding, or restoring any state property injured, destroyed, or lost by fire, storm, theft, or unavoidable cause, and for aid to any governmental subdivision in an area declared by the Governor to be a disaster area due to natural disasters or to expenditures necessitated by the governmental subdivision toward averting or lessening the impact of such potential disaster, where the effect of such disaster or such action on the governmental subdivision is the immediate financial inability to meet the continuing requirements of local government. Upon application by a governmental subdivision in such an area, accompanied by a showing

of obligations and expenditures necessitated by such actual or potential disaster in such form and with such further information as the Executive Council may require, such aid may be made in the discretion of the Executive Council and, if made, shall be in the nature of a loan up to a limit of seventy-five percent of the showing of such obligations and expenditures. The loan, without interest, shall be repaid by the maximum annual emergency levy as authorized by section 24.6. The aggregate total of such loans shall not exceed one million dollars during any fiscal year. A loan shall not be for any obligation or expenditure occurring more than two years previous to the application. (November 10-12, 1966, p. 218; March 14-15, 1968, p. 385; December 9-10, 1971, p. 332; January 13-14, 1972, p. 382; January 11-12, 1973, p. 465; Board Office memorandum dated February 24, 1975; Executive Council Guidelines for 29C.20 Claims, dated January 15, 1980; Section 29C.20, Code of Iowa (in part); March 13, 1980, p. ).

contingent fund created in the state treasury for the use of the Executive Council. It may be expended for the purpose of repairing, rebuilding, or restoring any state property injured, destroyed, or lost by fire, storm, theft, or unavoidable cause. The guidelines basically provide that the Executive Council shall utilize this fund to pay expenses on any casualty losses submitted and approved up to the \$500,000 per loss level. Permanent repairs or acquisition of replacement tools or supplies estimated to cost in excess of \$500,000 per loss will be referred to the Legislature for appropriation except in those instances where the cost of temporary measures could be expected to exceed the cost of permanent repairs or replacement within dollar guidelines established.

The Board Office noted that adoption of these guidelines by the council should eliminate the type of problem faced by the board last year when a number of casualty loss claims were not expeditiously handled by the Executive Council due to confusion existing as to whether or not the council had authority to process claims while the General Assembly was in session.

Section 7.12 of the Procedural Guide sets forth the board's policy on casualty loss claims. The Board Office recommended the board approve the revision to this policy. It includes the new guidelines of the Executive Council and revises several internal procedures for reporting and payment of losses to bring those procedures in line with the Executive Council guidelines. The revision retains the board policy on absorption of losses as adopted by the board in 1973. Individual losses of \$5,000 or less are absorbed by the institutions, unless the aggregate of all such losses in any fiscal year exceeds the dollar level established in the policy.

The Board Office noted the institutions have reviewed the policy and have given their endorsements of it.

Referring to a section of the Procedural Guide, Regent Bailey asked if the amount provided by the Executive Council is a loan in all instances. Mr. McMurray said no, there is a section of the Code which gives the council direct authority to utilize funds through resolution. The section in the Procedural Guide about loans is included for reference in case the Legislature makes amendments in the future.

Mr. Richey noted that the board is indebted to the Executive Council for their action in adopting a policy that gives the board clear guidelines to follow.

Regent Bailey commended everyone who worked out the policy by cooperating on it. Mr. Richey said Mr. McMurray deserved most of the credit.

MOTION: Dr. Harris moved that the board adopt the revised board policy on casualty loss claims. Mr. Bailey seconded the motion and it passed unanimously.

A copy of the revised policy is on file with the permanent minutes.

PROPOSED SCHEDULE FOR PUBLIC HEARING ON THE MERIT SYSTEM PAY PLAN FOR 1980-81. The board was asked to schedule a public hearing on the Merit System Pay Plan for Wednesday, April 16, at 8:00 p.m., on the campus of the University of Northern Iowa, and appoint a committee of its members to attend.

The Board Office noted that Chapter 19A of the Code and the rules of the Regents Merit System require the annual public hearing. A hearing in April will enable the board to act on final recommendations at its regularly scheduled meeting in May and allow time for the required submission of Pay Plan revisions to the State Merit Employment Commission and the Iowa Executive Council prior to implementation on July 1.

Mr. Richey noted this hearing would provide an opportunity for employees to have input into the Pay Plan. Adjustments in the plan could then be made and the plan would be adopted in May so it can be part of the budget for next year.

He said the proposed pay plan would be based on certain assumptions and it should be understood that the president of the board has the authority to defer or reschedule this hearing depending upon legislative action. If the issue is in a delicate state at the time of the scheduled hearing, the board could reschedule it. It is the intention of the board to hold the hearing based on certain assumptions so the institutions will have firm guidelines to use in their preliminary budgets which must be developed and presented in May.

MOTION:

Mr. Bailey moved that the board schedule a public hearing on the Merit System Pay Plan for Wednesday, April 16, at 8:00 p.m., on the campus of the University of Northern Iowa and appoint a committee of its members to attend with the understanding that the president of the board has the authority to reschedule the hearing if necessary. Mr. Wenstrand seconded the motion and it passed unanimously.

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

Merit Increase:

Lorna J. Schmoranz, Secretary I, to \$369.60 bi-weekly after annual merit evaluation, effective February 15, 1980.

Change of Status:

Patricia M. Peters, Secretary II, to permanent status after 6 months probation, effective February 6, 1980, no change in salary.

In the absence of objections, President Petersen ratified the action shown on the Register of Personnel Changes for the Board Office.

STUDENT TEACHING CONTRACT FORMS. The board was asked to approve the form of contracts for student teaching agreements between each of the three universities and the cooperating school systems. The student teaching agreements are essentially the same as those approved by the board in July, 1979. The Board Office noted that the amount of compensation to the cooperating school districts was not changed in any of the contracts.

Some modifications to the contracts were recommended in order to delete exclusive reference to the male gender in them.

The changes recommended for the University of Iowa were:

- 2.2 Placement shall be initiated by the Director of Student Teaching through application from each student teacher, setting out his/her background and the type of assignment appropriate for his/her needs.
- 2.3 The university reserves the right to decline the services of any given cooperating teacher; however, said decisions shall not be based on race, creed, color, sex, national origin, or handicap.

The changes recommended for the University of Northern Iowa were:

- 3.4 The University of Northern Iowa reserves the right to decline the assignment of a student teacher to classroom teachers who may request a student teacher; however, said decisions shall not be based on race, creed, color, sex, national origin, or handicap.
- 3.5 The cooperating educational agency reserves the right to refuse assignment to any given student teacher. However said decision shall not be based on ~~ethnic identity~~ race, creed, color, sex, national origin or handicap.

The institutions indicated they had no objections to the recommended changes.

MOTION:

Mr. Bailey moved that the board approve the form of the contracts for student teaching agreements between each of the three universities and the cooperating school systems, with the modifications listed above. Dr. Harris seconded the motion and it passed unanimously.

COMMENCEMENT DATES. The dates for spring commencement at the Regent institutions is as follows:

The University of Iowa	Saturday, May 17	9:30 a.m.
Iowa State University	Saturday, May 24	9:30 a.m.
University of Northern Iowa	Saturday, May 17	2:00 p.m.
Iowa Braille and Sight Saving School	Saturday, May 24	11:00 a.m.
Iowa School for the Deaf	Saturday, May 3	11:00 a.m.

President Petersen circulated the list of the commencement dates to board members and asked them to sign up to represent the board at the spring commencements.

AMERICAN LIBRARY ASSOCIATION COMMITTEE ON ACCREDITATION OF THE M.A. PROGRAM OFFERED BY THE SCHOOL OF LIBRARY SCIENCE AT THE UNIVERSITY OF IOWA. The Board Office said the University of Iowa was notified in January that its program leading to the M.A. degree offered by the School of Library Science at the university had been voted continuing accreditation.

It is report the American Library Association Committee on Accreditation noted that the school has identified in a satisfactory manner the various professional standards and guidelines with which it believes its goals and objectives to be consistent. The school has also identified its constituency in a reasonable manner. The faculty meets the standards with respect to education, diversity of geographic background, teaching and work experience, and subject specialities and competencies. It noted emphasis is on teaching.

The committee said rapport between faculty and students appeared unusually good. Course evaluations, comments from students, and classroom visits indicated a generally good and sometimes high quality and level of teaching. It said the variety of teaching methods was commendable and suited to the content and message of the particular course. It suggested team teaching might be considered as another approach.

The committee noted the student body is excellent raw material from which service oriented librarians are produced. To optimize the handling of these capable individuals, a greater emphasis might be placed on introducing information services in their broadest perspective to students first hand.

The committee also made several specific recommendations on how the program could be improved.

President Petersen said the board was pleased for the institution and received the report on behalf of the board.

NEXT MEETINGS.

April 16	Academic Seminar: University of Northern Iowa	Cedar Falls
April 17-18	University of Northern Iowa	Cedar Falls
	Iowa Braille and Sight Saving School	Vinton
May 13-14	Academic Seminar: University of Iowa	Iowa City
May 15-16	University of Iowa	Iowa City
June 17	Academic Seminar: Iowa State University	Ames
June 18-19	Iowa State University	Ames
JULY	NO MEETING	
August 21-22	University of Northern Iowa	Cedar Falls
September 18-19	University of Iowa	Iowa City
October 16-17	Iowa School for the Deaf	Council Bluffs
November 13-14	University of Northern Iowa	Cedar Falls
December 17-18	Iowa State University	Ames

Mr. Richey noted that because of the timing of appropriations by the Legislature it may be necessary to hold a special board meeting for approval of preliminary budgets. He asked board members and institutional executives to hold Friday, May 30, open as a possible meeting date. This would be a supplementary date and would give the board additional time to work on budgets. If the Legislature has not acted by May 16, that day of the scheduled board meeting would not be necessary.

President Parks offered to hold the supplemental meeting at Iowa State University.

President Petersen thanked him. She also noted that it may be necessary to do the same kind of planning in June and final approval of budgets might be done on June 27. This depends on the time available between the preliminary and final budgets.

Regent Harris asked if the April board meeting would be two full days and President Petersen said this was not certain. She said it is important to visit the campus of Iowa Braille and Sight Saving School because it has been a year since board members had an opportunity to be on that campus. This visit is scheduled for April 18.

Mr. Richey noted that there will probably be a bond sale at the April board meeting. There may be a problem in terms of advertising the bond sale but it would be nice to meet at Iowa Braille and Sight Saving School on the second day of the meeting.

CONFLICT OF INTEREST. President Petersen noted that as a result of a newspaper article, questions have been raised about the board's conflict of interest policy. The newspaper article dealt with the fact that Harold Nichols, wrestling coach at Iowa State University, has sold athletic goods and supplies to the university through Nichols Wrestling Products, Inc.

President Parks introduced Ron Santi, Director of Purchasing at the university, and Max Urick, Associate Director of Intercollegiate Athletics at the university, who were present to make statements to the board. President Parks distributed statements prepared by the university and Mr. Nichols. He read the university's position as follows:

Serious questions have been raised concerning the circumstances surrounding the purchasing of certain athletic goods and supplies by Iowa State University from a firm in which Coach Harold Nichols has a financial interest. University officials who have been involved in these purchasing operations, and who have reviewed these operations in detail, sincerely believe that the purchases Iowa State has made from the firm associated with Dr. Nichols (1) have been carried on in accordance with state law; (2) are in line with the Board of Regents' policies; and (3) have resulted in obtaining for the university the best quality merchandise for the lowest cost.



However legally-proper and procedurally-correct the purchasing process which involved buying from a firm financially associated with an Iowa State employee may have been, the public suspicion which has been aroused that a conflict of interest may exist in such a situation has made a continuation of the present procedural arrangements extraordinarily complicated and difficult to administer. Therefore, to avoid any possible future embarrassment to the University and to Coach Nichols, the University endorses the...statement which has been issued by Dr. Nichols...March 11, 1980.

Mr. Nichols' statement said in part:

I am satisfied that Iowa State University has benefitted from what business it has done with Nichols Wrestling Products, Inc., in terms of competitive bids submitted, prices charged on direct sales, access to certain superior equipment, and reliable and convenient service. However, I recognize that there may appear to be a conflict of interest when Nichols Wrestling Products, Inc., sells any wrestling gear or equipment to the purchasing department of the university.

In order to avoid even the appearance of conflicting interests my son and I have made the decision that under no circumstances will Nichols Wrestling Products, Inc., hereafter sell anything to Iowa State University.

President Parks said he thought these statements would take care of any future problems. However, he said since the integrity and judgment of the university purchasing office have been called into question about past transactions, it would be fair for Mr. Santi to make a statement about policies and procedures used in dealing with Mr. Nichols' firm.

Mr. Santi noted that any time a purchasing department deals with an employee of an institution, it creates an appearance that there may be some wrong doing. He showed a code of ethics by which everyone in the Purchasing Department at Iowa State University abides. Some of the points contained in the code are: to give consideration to the objectives of the institution; to strive to obtain the maximum potential value for expenditure; to grant all competitive bids equal consideration and to regard each on its own merits; and to be willing to submit to arbitration any major controversies.

He said the Purchasing Department is subject to a state audit each year. In the past five years there have been no negative comments about this situation in that audit. The department is also subject to an internal audit. He noted all of the records of the Purchasing Department are public information and members of the department know this each time they sign their name on a purchase order.

Mr. Santi showed an example of a request for a quote. The example he showed was for one of the transactions in question, the purchase of a Universal weight machine. He pointed out that there are instructions on the request for quote that if a firm is submitting an alternate,

that specifications and descriptive literature should be submitted. In the case of the weight machine, substitutions were bid and the descriptive literature is in the files. Nichols' firm was the low bidder.

Mr. Santi attempted to show there was no activity that would have directed business to Mr. Nichols that would have taken business away from anyone else. He noted competitors frequently ask to see the bid files.

Mr. Santi said the newspaper article cites certain examples of purchases. He reviewed them and the activities of the department over the past ten years. He said many people in the department during that period of time have since retired and that he joined the department five years ago.

He said that of those orders that have the appearance of not meeting the state statute, the Purchasing Department can document all but three or four of them.

He noted that early in 1974 the university paid \$573 for shoes and uniforms. He said Nichols' firm was the only source the Purchasing Department knew of for these particular shoes. It was the only source because there were other items on the order that had to be matched with existing inventory.

Mr. Santi passed out a chart showing typical examples of requests for quotations. He pointed out that in 1972 the university purchased gym equipment for which bids from 9 sources were sought. Bids were not received from most of the sources. He cited another example in which an order for \$99 was competitively bid. Nichols Wrestling Products was not the low bidder but University Bookstore, the low bidder, could not supply delivery information. The order was placed with Nichols' firm.

Mr. Santi said that when Mr. Nichols started selling wrestling products, wrestling was not a major sport and he sometimes had to wait for six months to get things for the team. Since then other sources have been found but Nichols Wrestling has always been the low bidder.

In the instances in which competitive bids were sent only to Nichols' firm Mr. Santi said this was because the Purchasing Department knew of no other sources for these items at that time. They were attempting to fill an inventory and were ordering replacement items.

President Petersen asked if in these instances it was a judgment call on the Purchasing Department's part not to circulate a bid request so there is no documentation in the files. Mr. Santi said the Purchasing Department knew there were no other sources. He said some of the items ordered from Nichols Wrestling Products, Inc. were used for other departments and there was no reason to believe any vendor was being discriminated against.

President Petersen noted there was no documentation in the files as required for public bidding. She emphasized this is a board policy

and it is wrong to substitute personal view or judgment for such a policy.

Regent Bailey asked if the Purchasing Department has felt as free in dealing with the Athletic Department as with other departments and if it was possible to exercise professional expertise in this situation. Mr. Santi said yes.

Regent Neu asked if it was common for employees of the university to sell products to the institution. Mr. Santi replied it is not common but there are some situations in which this is the case. He said in instances where this is true, purchases are competitively bid. He noted some individuals on the university staff have been identified as being associated with corporations. President Petersen asked if there was a routine way of identifying such individuals and Vice-President Moore pointed out that as long as bidding procedures are followed, there is no need to know this.

Regent Neu reminded the university that it must be careful not to draft specifications too narrowly when dealing with its employees.

President Parks conceded that when an employee of the university sells to the university, it is difficult to administer. However, he said no advantage has been given to Mr. Nichols because of this situation.

Mr. Santi said the university has received the most advantages from this situation because often Mr. Nichols' firm does not charge for its services and it is possible to have equipment serviced on evenings and weekends.

Mr. Urick then spoke on what the results would be of severing the relationships with Mr. Nichols' firm. He noted the Athletic Department wants to acquire a quality product at the best possible price with a reasonable guarantee of good service. He said there would be conservatively a 20% increase in costs for the department. In some cases it is doubtful it will be possible to acquire the desired product and the department is anticipating dealing with the frustration of less than adequate service.

Mr. Urick cited examples of how costs would increase. One of these examples was Resilite Mats. Mr. Urick said he talked with a company representative about ordering these mats directly. He was told this was possible but that the university has been getting them at dealer costs so the mats will cost more.

Mr. Urick said because of the service received from Nichols Wrestling Products it has been possible to maintain a marginal inventory. It will be necessary to increase the inventory because this fast service will no longer be available.

Referring to the table on quotation requests, Regent Neu asked why bidding has been limited to one kind of shoe and if there are other manufacturers of wrestling shoes. Mr. Urick said it is a good quality wrestling shoe and there are very few distributors of it in this part

of the country. He said bids for competitive shoes have not been submitted.

Regent Harris asked the other institutions if they had trouble getting their wrestling equipment serviced. Vice-President Bezanson said the equipment could be serviced by a wide variety of people and not necessarily just by the supplier. Vice-President Stansbury said there was no known problem at the University of Northern Iowa but noted it is important to be able to get equipment serviced and this is a consideration when purchasing such equipment.

Regent Neu asked if there was a way to determine a comparative cost basis for wrestling programs at the institutions and determine if Iowa State University is in a better economic position than the other institutions because of its association with Mr. Nichols' firm. President Parks said the auditor will look into this.

President Parks summed up by noting that the university and Mr. Nichols recognize this has been a difficult situation to administer. He said it has not been illegal to do business with Mr. Nichols. The board considered this matter in the past and rejected a motion that Mr. Nichols not be allowed to do business with the university. He felt the Purchasing Office dealt with a sensitive situation in an honest and conscientious way. He said a change will cost the university a lot of money and a lot of convenience but recommended endorsing Mr. Nichols' statement that he will no longer do business with the university.

President Petersen said the board's concern was for the instances in which request for bids was not circulated and received. Board policy clearly states that when purchases are to be made that exceed \$500, bids will be circulated. The board was concerned that a judgment was substituted for this policy and that the way in which these problems were brought to the attention of the board casts a dim light on the credibility of all its purchasing practices.

Regent Shaw said he felt the inquiry was not limited to the purchasing situation but includes such problems as professors being absent from classes when they have other commitments. This is also a conflict of interest situation. He noted the board depends on the general administration and peer pressure to insure that people don't unduly advantage themselves at the expense of the people they are hired to serve.

Regent Shaw said where there is a law governing a situation, it should be followed in all circumstances. He noted a desirable approach to follow in matters of purchasing is to make the purchasing officer a really professional person and isolate that professional from pressures that might be brought on him or her. Purchasing people should be given easy access to the top of the organization so that if someone is applying pressure, they have a direct way to report that to the people in charge.

In response to a question from Regent Neu, President Parks said it was the university's recommendation that the board accept Mr. Nichols' statement of his intent not to do business with the university.

Mr. Richey outlined three steps for the board to follow: 1) adopt a motion putting into effect the university's recommendation on Mr. Nichols' statement; 2) authorize a study for the report requested by the Governor; and 3) authorize a detailed review of purchasing policies and procedures relating to conflict of interest at all of the institutions.

MOTION:

Mr. Neu moved that the board adopt the recommendation of the university that Mr. Nichols will not sell any further products to Iowa State University at this time pending a review of policy. Mrs. Jorgensen seconded the motion.

Regent Neu noted that the above position could change depending on the outcome of a review.

Regents Shaw and Harris said they felt this action was unnecessary since Mr. Nichols had already said he will not do business with the university and the board really had no choice in the matter. Regent Shaw objected to passing a motion naming a specific individual.

President Parks agreed and said it becomes the job of the Purchasing Department to make sure there are no further dealings with the firm and that the motion might be interpreted as further criticism of Mr. Nichols.

Regent Neu said the motion was not intended as a criticism but would result in a temporary position by the board. If at some future time the institution or Mr. Nichols were to change their minds, the motion would allow the board to consider the matter again. The motion would serve as a warning to others in such arrangements that the Regents are somewhat skeptical of these arrangements and that they should reexamine their position. He said even though these relationships may benefit the institutions and the institutions may have to pay more without them, that the board and institutions are being judged by new standards and they must conform to them. He said the effect of the motion on Mr. Nichols was irrelevant; that it is a warning to others that they must live up to the standards that are set.

Dr. Harris raised the issue of professors who write textbooks and use them in their classes. President Boyd said a policy was brought forward on this in the past. It is a continuum and moves from rather specific things to rather general things. He said institutions should be judged on the totality of this problem and not on just one person.

Dr. Harris suggested a substitute motion would be to eliminate the acceptance of Mr. Nichols' statement that he would no longer do business with the university because it was not clear this was a recommendation by the institution.

Regents Neu and Jorgensen indicated their motion was concerned only with the recommendation of Iowa State University to accept Mr. Nichols statement and not with other actions.



MOTION: Mr. Neu moved that the board authorize the Board Office to work with the state auditor and to prepare a report to the Governor on Coach Nichols' dealings with Iowa State University. Mr. Bailey seconded the motion.

Regent Bailey said the report to the Governor should include a consideration of the present policies of the other universities on what is being done to highlight the fact that nothing irregular or illegal occurred. Regent Jorgensen asked if the report would be for information purposes or if it would draw conclusions and Mr. Richey said any conclusions would be drawn by the board.

VOTE ON MOTION: The motion passed unanimously.

Mr. Richey said that in a study of policies and procedures at all of the institutions there would be some implications involving potential conflicts of interest. Institutional executives and purchasing officers will be consulted and a report will be prepared for the April board meeting.

MOTION: Mr. Bailey moved that the board authorize the Board Office, in consultation with institutional executives and purchasing officers, to review the purchasing policies and procedures at the institutions and to prepare a report for presentation to the board. Dr. Harris seconded the motion and it passed unanimously.

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

EXECUTIVE SESSION. President Petersen announced the the board needed to enter into executive session to discuss strategy in regard to collective bargaining, Section 20.17, Section 3 of the Code, and House File 680. On a roll call vote as to whether to enter into executive session, the following voted:

AYE: Bailey, Harris, Jorgensen, Neu, Shaw, Wenstrand, Petersen  
NAY: None  
ABSENT: Belin, Brownlee

The board, having voted at at least a two-third majority, resolved to meet in executive session beginning at 3:15 p.m. and arose therefrom at 4:20 p.m.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Thursday, March 13, 1980

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

CHANGE IN NAME OF SCHOOL OF JOURNALISM TO SCHOOL OF JOURNALISM AND MASS COMMUNICATION. The board was asked to refer this matter to the Interinstitutional Committee for Educational Coordination and the Board Office for review. The university said the new name will be a more accurate description of the activities of the school and will not involve any changes in its degree programs.

Regent Shaw noted that it looks as if there is a move toward a greater emphasis on communication and President Boyd said there is a lot of interaction.

MOTION:

Mr. Bailey moved that the board refer the change in name of the School of Journalism to School of Journalism and Mass Communication at the State University of Iowa to the Interinstitutional Committee for Educational Coordination and the Board Office for review. Dr. Harris seconded the motion and it passed unanimously.

CHANGE IN NAME OF DEPARTMENT OF SPEECH AND DRAMATIC ARTS TO COMMUNICATION AND THEATER ARTS. The board was asked to refer this change in name to the Interinstitutional Committee for Educational Coordination and the Board Office for review. The institution said the new name will more accurately reflect the diverse work of the divisions and also reflect national terminology. The change will not involve any change in its degree programs.

MOTION:

Dr. Harris moved that the board refer the change in name of the Department of Speech and Dramatic Arts to Communication and Theater Arts to the Interinstitutional Committee for Educational Coordination and the Board Office for review. Mr. Bailey seconded the motion and it passed unanimously.

NOTIFICATION OF SUSPENSION OF ADMISSION TO PROGRAMS IN BUSINESS EDUCATION. The board was asked to refer this matter to the Interinstitutional Committee for Educational Coordination and the Board Office for review.

The institution said that programs in business education have been in low demand over the past several years and there has been great difficulty in recruiting staff.



President Petersen noted that there will still be a program in business education at the University of Northern Iowa.

MOTION:

Dr. Harris moved that the board refer notification of suspension of admission to programs in Business Education at the University of Iowa to the Interinstitutional Committee for Educational Coordination and the Board Office for review. Mr. Bailey seconded the motion and it passed unanimously.

EXCLUSIONS FROM PERSONNEL POLICIES FOR PROFESSIONAL AND SCIENTIFIC EMPLOYEES. The Board Office noted that in February it expressed concern about the level of positions that the University of Iowa proposed be excluded from its personnel policies for professional employment. While exclusions proposed by the other institutions were essentially at the level of director, the University of Iowa list included a number of associate and assistant director positions. The university stated that the proposed exclusions were based on matters such as the scope of authority and the independence of decision making, rather than title.

The Board Office has not reviewed the duties and responsibilities of the excluded positions, but has examined the pay grade assignment of those positions on the premise that it would provide an indication of the level of responsibility. The comparison indicates a substantial difference in the level of positions excluded at the University of Iowa and the positions excluded at Iowa State University and the University of Northern Iowa.

The Board Office noted it is obvious the University of Iowa list evidences considerable attention to, and selectivity, in the designation of exclusions of professional staff from coverage under its personnel policies. It also noted that the other institutions have expressed no objections to the University of Iowa exclusions.

The Board Office pointed out that if the board accepted the university of Iowa report, it would represent a departure from the standard of comparability observed by the board when considering classification and compensation plans for professional staff members and that rights would be granted for certain levels of professional staff at some but not all of the institutions.

MOTION:

Mr. Bailey moved that the board accept the University of Iowa's analysis of exclusions from the Personnel Policies for Professional and Scientific Staff members. Dr. Harris seconded the motion.



The university submitted a revised project budget totaling \$71,700. The original budget was \$32,500. The budget reflects increased costs and includes an additional roof replacement above the 4th floor tower section inpatient units. Source of funds is the University Hospitals Building Usage Fund. The project is scheduled for rebidding on March 20.

The board was asked to approve the following new projects:

Energy Management Program - Steam Metering of University Hospitals and Clinics and the Hospitals Schools

Source of Funds: 1979 Capital Allocation for Energy \$61,400.0

The next four projects involve roof replacements on portions of University Hospitals and Clinics; more specifically, the General Hospital. All are funded from University Hospital Building Usage Fund. Projects are:

Seventh Floor Roof Replacement \$95,000.0

Fourth and Sixth Floor West Wing Roof Replacement \$96,200.0

South Wing Roof Replacement \$44,100.0

Fourth and Sixth Floor East Wing Roof Replacement \$98,600.0

Source of funds for latter project: \$65,100 from University Hospitals RR&A funds.

The Board Office noted all of these projects are scheduled for bid on March 20. All the projects follow an investigation and review of General Hospital roofing by Shive-Hattery & Associates, Iowa City, Iowa. The board previously ratified selection of this firm to provide additional engineering services including final design services and contract administration and project quality control on an hourly rate basis for a maximum of \$8,900.

On all four projects, the University Architect's Office was selected as inspection supervisor.

University/Iowa City Urban Renewal Project, Washington and South Capitol Street Streetscape Improvement Program

Source of Funds: Income from Treasurer's Temporary Investments \$17,000.0

The city of Iowa City plans to totally reconstruct a three-block area as part of its urban renewal program. The university fronts on one side of this project which consists of sidewalks, pedestrian lighting, benches, waste receptacles, and plantings. Total cost of the project is approximately \$340,000 with the university's share estimated to be \$49,000.

The Board Office also noted that the university previously undertook a project to lower an electric duct bank and reconstruct a vault needed because of the lowering of a street grade. Cost of that project was \$59,703 and the university estimates the city should pay approximately \$32,000 of that cost because of its relationship to the urban renewal project.

The university requested authorization to issue payment in the amount of \$17,000 to the city of Iowa City representing the difference between the \$49,000 total share and the \$32,000 already paid. It was noted that the city council agreed to this calculation and that the city will handle all project administration.

Gilmore Hall - Remodel First Floor South

Source of Funds: General University Building Repairs \$152,000.00

The Board Office said this project is intended to remodel space vacated by the university Payroll Office for the Office of Sponsored Programs which is currently located in Jessup Hall. This program would then be located in the same building as the Office of the Vice-President for Educational Development and Research. The Jessup Hall space would be reassigned to academic programs.

The university requested ratification of a consultant contract with Harvey W. Henry, Architect, Coralville, Iowa, as architect on the project for the purpose of preparing final plans and specifications, etc. Compensation is on an hourly rate with a maximum of \$10,800. The Physical Plant Department was selected as engineer and inspection supervisor.

Renovation of Dog Holding Area - Oakdale Animal Quarters (Building 129)

Source of Funds: General University Building Repairs \$149,600.00

The Board Office noted this is the first in a series of projects necessary to overcome deficiencies in the animal holding facilities at the university. The space would be remodeled to house 48 dogs and pens which comply with requirements of the United States Department of Agriculture and the National Institutes of Health. The project has been designed to allow planning for a future addition to the building for housing additional dogs.

The university requested ratification and selection of The Durrant Group, Inc., Dubuque, Iowa, as engineer on the project. Compensation would be based on hourly rates at a maximum of \$18,600. This is 16.4% of the estimated cost of construction of \$113,600 or 12.5% of the total project cost of \$149,600. The fee includes an estimated \$1,900 for schematic design of the building addition. If that cost is subtracted, the net fee assignable to the renovation project is 11.2% of the total budget. The project is evidently quite complicated in that the architect estimates the project total involves 440 hours of work.

The Physical Plant Department was selected as inspection supervisor.

Regent Bailey noted that the fee paid to engineers is quite high and wondered if the board should set a policy on this matter.

Vice-President Bezanson said the university would keep this amount as low as possible given the circumstances. He noted there were many government regulations the university must comply with on this project which increase the cost.

Regent Bailey noted that the fee keeps creeping up. He said discussions are in terms of percentages, not dollars, and if both percentages and dollar amounts increase, projects get more costly. He said adding the costs of engineering fees, architectural fees, and management construction fees results in a rather large sum. He suggested that institutions not accept the rates given by engineers and architects but indicate when they feel these rates are too high. Vice-President Bezanson said that on occasion the university does ask architects and engineers to reevaluate their fees and some times changes are made, other times they are not. He said the institution has a working process in which it approaches more than one architect or engineer and tries to get a basis for comparison. He said if a project is complicated, the university may not hire the engineer or architect with the lowest fee in order to get the architect or engineer with the most experience. Regent Bailey said he was glad to know the university was taking such action.

The Board was asked to ratify architectural/engineering services on the following projects:

Proposed Law Building

Ratification of Shoemaker & Haaland, Coralville, Iowa, to provide a detailed site survey on the proposed Varsity Heights location of the new Law Building. Compensation will be at an hourly rate with a maximum of \$6,500. Additional engineering services totaling \$1,500 are needed because of a desire to expand the area of the survey to encompass more area along the east and north sides of the site. All of the work on the site has been completed.

Renovate Animal Quarters - Basic Science Building, Medical Laboratories

Zoology Building, East Hall, and Spence Laboratories

Ratify section of The Durrant Group, Inc., Dubuque, Iowa, to provide a preliminary study and site survey services in five buildings on an hourly rate basis at a maximum cost of \$18,760. The project is the continuation of the upgrading of animal holding facilities on campus to comply with the requirements of the United States Department of Agriculture and the National Institutes of Health. It involves 190+ spaces. No project budget has been proposed to this point.

Power Plant - Rebuild Rotor on Elliott Turbine

Ratify section of Stanley Consultants, Inc., Muscatine, Iowa, to provide final design services on an hourly rate basis at a maximum of \$5,000. This \$102,000 project is funded by the 1979 utility appropriations approved by the board in November, 1979.

Renovation for Handicapped Access - Phase III

Ratify selection of The Durrant Group, Inc., Dubuque, Iowa, to provide contract administration and project quality control on four portions of

the project which involve installation of new elevators in the Ag Medicine Research Facility and Art Building, reconstruction of the elevator in the Hydraulics Laboratory, and installation of a chair lift in the Field House.

Hospital School - Ground Floor Renovation and Access Drive and Parking

Ratify selection of R. Neumann Associates, Iowa City, Iowa, to undertake a preliminary study on these projects to establish project design framework and a preliminary budget with project description. Compensation is on an hourly basis not to exceed \$11,000. The project involves 11,000 square feet of ground floor area including an existing covered, but not enclosed, portion of the facility. The board has not approved a project budget to date.

Hospital School - Top Floor Renovation and Playground Area

Ratify selection of R. Neumann Associates, Iowa City, Iowa, to provide a preliminary study on an hourly rate basis at a maximum cost of \$11,500. This project includes approximately 12,000 square feet of second floor area including a new entrance and outside green space. The board has not approved a project budget to date.

University Hospitals - Emergency Generator Installation

Ratify selection of Kimmel-Jensen-Wegerer-Wray, Rock Island, Illinois, to provide architectural services, including final design services, on an hourly rate basis at a maximum of \$22,600. The board has not approved a project budget to date.

The board was asked to approve the following special consultant matters:

South Pavilion - Phase A

The university requested permission to negotiate with Shive-Hattery & Associates, Iowa City, Iowa, for engineering services consisting of relocation of storm sewers, steam mains and water mains, and extension of the sanitary sewer in conjunction with the construction of the South Pavilion addition at the University Hospital. The contract will be brought back to the board for approval.

Recreation Building Addition

The university requested approval of selection of Porter Brierly Associates, Des Moines, Iowa, as project architect and asked for authority to negotiate a contract with the firm. The university proposed a 6,500 gross square feet addition at the basement level at the north end of the Recreation Building which would contain one large classroom divisible into 8 smaller rooms and a weight training facility of approximately 2,000 square feet. This would result in the consolidation of all indoor training facilities serving varsity football in the Recreation Building. Funding for the project will be from football earnings. The Board Office noted the university should assure the board that these earnings are outside of the net revenues of athletic

facilities pledged in the bond issue. The contract will come back to the board for approval.

MOTION:

Dr. Harris moved that the board approve the Register of Capital Improvement Business Transactions for March, 1980; ratify award of construction contracts made by the executive secretary; approve the revised project budget as shown; approve the new projects; authorize payment of \$17,000 to the city of Iowa City for the University/Iowa City urban renewal project; ratify selections of architects and engineers by the university as outlined above; authorize the university to negotiate with Shive-Hattery & Associates for engineering services on the South Pavilion - Phase A project; approve the selection of Porter Brierly Associates and authorize the university to negotiate a contract with that firm for the Recreation Building Addition; and authorize the executive secretary to sign all necessary documents. Mr. Neu seconded the motion and it passed unanimously.

SLUDGE TREATMENT PLANT.

Vice-President Bezanson said he wanted to apprise the board of a plan being pursued by the university but no board action would be needed at present. He said it had come to the university's attention that the city of Iowa City is planning to build a new sewer treatment plant and the university may be able to acquire the city's present plant and land which includes facilities which would allow it to treat sludge.

He noted that capital funds have been appropriated to build an addition to the water treatment plant to treat sludge. He said to acquire the city's plant land for this purpose, it may be necessary to seek authority from the legislature to use these capital dollars for acquisition of land. The funds are available for 4 years.

President Petersen asked if the financial expenditure for acquiring the existing plant and land would be comparable to building a facility. Vice-President Bezanson indicated an appraisal has not been done yet. He noted the lines to the plant are in a good shape. They run right by the university and will be vacated when the city's new plant is completed in a number of years.

Mr. Richey said that this plan would be an alternative. No options would be foreclosed to the board as to either purchase of the Iowa City plant or following the original plan of new construction.

MOTION:

Mr. Bailey moved that that board approve contacting the Legislature about expending capital funds for land in the event the plan

to purchase the city of Iowa City's sewer treatment plant and land for the treatment of the university's sludge is pursued. Dr. Harris seconded the motion and it passed unanimously.

HAWKEYE ARENA/RECREATION PROJECT. Mr. Richey opened the discussion by stating that the bond sale scheduled for this meeting was pulled off the market after individual consultation with board members. The Board Office recommended that the board adopt a new resolution to reschedule the bond sale; authorize the executive secretary to negotiate private placement of long-term financing with authority to halt actions and authorize the executive secretary to work up the short-term loan agreement in conjunction with Iowa Des Moines National Bank for adoption, if needed, at the next board meeting.

Mr. Richey said that the board's bonding consultant, Mr. Speer, recommended readvertising the bond sale and receiving and opening bids on April 17, 1980. Mr. Richey noted the bonds have been given an A rating and there has been some discussion about making them insurance qualified. This would give them the equivalent of an AAA rating.

Mr. McMurray said one major change was made in the resolution concerning the new notice of sale of the bonds. In the previous resolution there was a limit on the coupon rate of  $8\frac{1}{2}\%$ . The new notice of sale would remove any reference to a coupon rate limit. He said it was the opinion of the bond consultant that the  $8\frac{1}{2}\%$  coupon rate limit may have prevented any bids being received at this meeting. Removal of the limit will assure the possibility of receiving at least some bids at the April board meeting. He noted that coupon rates can not vary by more than 2% so the board does not get unbalanced bonds.

Regent Bailey said he was not sure whether it was fair to leave the limit out. It might be better to leave the limit in and see what happens. He said there was a problem as to personal liability and it could be considered irresponsible to authorize sale of the bonds at an unjustifiably high rate of interest. He also indicated that he did not expect to support a rate in excess of 8%.

President Petersen said there would be adequate time at the April board meeting to make a decision on rates. Mr. Richey noted the Board Office would keep board members apprised of the market situation between now and the next board meeting so they can come to the meeting prepared.

MOTION:

The Board took up for consideration the matter of providing for the advertisement for sale of \$14,250,000 Athletic Facilities Student Fees and Revenue Bonds (State University of Iowa) Series 1980. Whereupon Dr. Harris introduced and caused to be read a resolution entitled "Resolution directing the advertisement for sale of \$14,250,000 Athletic Facilities Student Fees and Revenue Bonds (State University of Iowa) Series 1980", and moved that said resolution be



March 13, 1980

adopted. Mrs. Jorgensen 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, Harris, Jorgensen, Neu, Shaw,  
Wenstrand, Petersen

NAY: None

ABSENT: Belin, Brownlee

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

RESOLUTION directing the advertisement  
for sale of \$14,250,000 Athletic  
Facilities Student Fees and Revenue  
Fonds (State University of Iowa)  
Series 1980.

WHEREAS, in order to pay the cost of constructing, equipping and furnishing a new field house on the campus of the State University of Iowa and renovating the existing field house on the campus of the State University of Iowa for use as a recreation building, the State Board of Regents of the State of Iowa contemplates issuing its \$14,250,000 Athletic Facilities Student Fees and Revenue Bonds (State University of Iowa) Series 1980; and

WHEREAS, pursuant to a resolution of the State Board of Regents of the State of Iowa said bonds were to be offered for sale at 1:00 P.M. on March 13, 1980 at The Memorial Union of Iowa State University, in the City of Ames, Iowa; and

WHEREAS, due to the unsettled condition of the market, said sale was postponed; and

WHEREAS, it is necessary and advisable that said bonds be offered for sale at this time;

NOW, THEREFORE, Be It Resolved by the State Board of Regents of the State of Iowa, as follows:

Section 1. That \$14,250,000 Athletic Facilities Student Fees and Revenue Bonds (State University of Iowa) Series 1980 of this Board be offered for sale at 1:00 P.M. on April 17, 1980 in Board Room No. 207 of Gilchrist Hall at the University of Northern Iowa, in the City of Cedar Falls, Iowa.

Section 2. That the Executive Secretary of this Board be and he is hereby authorized and directed to publish notice of the sale of said bonds, in substantially the form attached hereto as Exhibit A, for two or more successive weeks and on the same day of each week in the "Des Moines Register", a legal newspaper published in the City of Des Moines, Iowa, and having a general circulation throughout the State of Iowa, and to publish said notice in like manner in the "Cedar Falls Daily Record", a legal newspaper published in the City of Cedar Falls, Iowa, and having a general circulation in Black Hawk County, Iowa.

Section 3. That the Executive Secretary of this Board is hereby authorized to arrange for the preparation and distribution of an Official Statement in connection with the offering of said bonds for sale in accordance with the provisions of this resolution.

Section 4. That all resolutions or parts of resolutions in conflict herewith be and the same are hereby repealed to the extent of such conflict.

Passed and approved March 13, 1980.

EXHIBIT A

OFFICIAL NOTICE OF SALE

\$14,250,000  
STATE BOARD OF REGENTS  
OF THE  
STATE OF IOWA  
ATHLETIC FACILITIES STUDENT FEES AND REVENUE BONDS  
(STATE UNIVERSITY OF IOWA)  
SERIES 1980

Sealed bids will be received by the State Board of Regents of the State of Iowa until 1:00 P.M., Central Standard Time, on the 17th day of April, 1980, in Board Room No. 207 of Gilchrist Hall at the University of Northern Iowa in the City of Cedar Falls, Iowa, for the purchase of \$14,250,000 Athletic Facilities Student Fees and Revenue Bonds (State University of Iowa) Series 1980 of said Board. Promptly thereafter open bids will be called for at the meeting of said Board to be then held at said place. If no open bids are then made, such open bidding will then be closed; but if commenced, open bidding will be concluded no later than 1:30 P.M. After the best open bid has been determined, the sealed bids will be publicly opened and the bonds will be sold to the best bidder. Sealed bids will be fully protected. Principal and interest will be payable at the office of the Treasurer of the State University of Iowa in the City of Iowa City, Iowa, or at the option of the holder at the principal office of Citibank, N.A., in the City of New York, New York, or at the option of the holder at the principal office of Continental Illinois National Bank and Trust Company of Chicago, in the City of Chicago, Illinois.

Said bonds will be coupon bonds registrable as to principal only, in the denomination of \$5000 each, will be dated April 1, 1980, bear interest payable January 1, 1981, and semiannually thereafter on the first days of July and January in each year, and will mature in numerical order on July 1 of each of the respective years as follows:

\$300,000.....1983	\$450,000.....1990	\$ 800,000.....1998
300,000.....1984	500,000.....1991	850,000.....1999
350,000.....1985	550,000.....1992	900,000.....2000
350,000.....1986	600,000.....1993	1,000,000.....2001
350,000.....1987	600,000.....1994	1,050,000.....2002
400,000.....1988	650,000.....1995	1,150,000.....2003
450,000.....1989	700,000.....1996	1,200,000.....2004
	750,000.....1997	

The right is reserved to the State Board of Regents to call and redeem the bonds from any available funds in whole, or in part in the inverse order of maturity and within a maturity by lot, on any interest payment date on or after July 1, 1990, at par plus a premium of five percent (5%) reducing by 1/2 of 1% on each interest payment date as follows:

<u>Redemption Dates</u>	<u>Redemption Prices</u>	<u>Redemption Dates</u>	<u>Redemption Prices</u>
July 1, 1990.....	105%	July 1, 1993.....	102%
January 1, 1991....	104-1/2%	January 1, 1994....	101-1/2%
July 1, 1991.....	104%	July 1, 1994.....	101%
January 1, 1992....	103-1/2%	January 1, 1995....	100-1/2%
July 1, 1992.....	103%	July 1, 1995 and	
January 1, 1993....	102-1/2%	thereafter.....	100%

These bonds are not general obligations of nor a charge against the State of Iowa nor payable in any manner by taxation but these bonds, and any additional bonds as may be hereafter issued and outstanding from time to time under reasonable conditions and restrictions ranking on a parity therewith, will be payable solely from Athletic Facilities Student Fees and the Net Revenues derived from the operation of the System of Athletic Facilities, all as defined in the Bond Resolution, at the State University of Iowa.

Each bid must be submitted on the Official Bid Form for all of said bonds upon terms of not less than par and accrued interest and shall specify the interest rate or rates in a multiple of one-quarter or one-tenth of one percent (1/4 or 1/10 of 1%), provided that only one rate shall be specified for a single maturity, not more than five (5) rates may be named for the issue, and no rate shall be more than two percent (2%) per annum above the lowest rate. Repeating a previously mentioned interest rate will not constitute an additional interest rate. Each installment of interest will be represented by a single coupon on each bond. The bonds will be awarded to the best bidder determined upon the basis of the lowest total interest cost at the rate or rates designated in his bid from April 1, 1980, to the respective final maturity dates, after deducting any premium.

Said bonds are expected to be delivered within thirty (30) days after the sale, delivery to be made against full payment in immediately available cash or federal funds at any mutually agreeable bank or trust company in Chicago, Illinois, or New York, New York, without expense to the purchaser. Should delivery be delayed beyond 60 days from date of sale for any reason except failure of performance by the purchaser and without the fault of the Board of Regents, the State Board of Regents may cancel the award or the purchaser may withdraw his check and thereafter his interest in and liability for the bonds will cease. The State Board of Regents will furnish the printed bonds and the approving opinion of Messrs. Chapman and Cutler, Attorneys, Chicago, Illinois,

together with the transcript and usual closing papers, including non-litigation certificate, and all bids may be so conditioned. Said opinion will be printed on the bonds and will recite that under existing federal laws, regulations, decisions and official interpretations, the interest on said bonds is exempt from present federal income taxes. Each bidder must furnish a certified or cashier's check drawn on a solvent bank or trust company for \$285,000 payable to the order of the Treasurer of the State University of Iowa as a guarantee of good faith, which sum shall be agreed liquidated damages to be forfeited to the State Board of Regents by the successful bidder should he fail to take up and pay for the bonds when ready. When the bonds are ready for delivery, the Board will give the successful bidder five (5) days' notice of the delivery date and the Board will expect payment in full in immediately available funds on that date, otherwise reserving the right at its option to determine that the bidder has failed to comply with his offer of purchase. Checks of unsuccessful bidders will be returned promptly upon award. The check of the successful bidder will be held uncashed pending delivery and, unless forfeited, will be returned at the time of the delivery of the bonds.

The State Board of Regents reserves the right to waive informalities in any bid and to reject any or all bids.

The State Board of Regents has authorized the preparation of an Official Statement containing pertinent information relative to these bonds. For copies of that Statement and the Official Bid Form or for any additional information, any prospective purchaser is referred to the undersigned at his office in the Lucas State Office Building, Des Moines, Iowa, or to the Municipal Finance Consultants to the State Board of Regents, Paul D. Speer & Associates, Inc., 55 East Monroe Street, Suite 4510, Chicago, Illinois 60603. Telephone: Area (312)-346-0858.

By order of the State Board of Regents of the State of Iowa, this 13th day of March, 1980.

/s/ R. Wayne Richey  
Executive Secretary,  
State Board of Regents of  
the State of Iowa

In the area of negotiation for private placement of long-term financing, Regent Bailey asked if this would be a conversion or an addition. Mr. Richey said whatever legal terms necessary would be used but that an addendum would be negotiated to provide for the long-term financing. He noted that fixed rates for the long-term financing would be considered but it might not be possible to get a fixed interest rate. He said it might be necessary to hire consultants to help in these negotiations.

MOTION:

Mr. Bailey moved that the board authorize the executive secretary to negotiate for a possible long-term financial option for the board to consider at the April board meeting with the understanding that the executive secretary may stop these proceedings at any time. Dr. Harris seconded the motion and it passed unanimously.

Mr. Richey noted that there had been some discussion about taking out the short-term financing option with Iowa Des Moines for a month or two and using it for investments. He said he was reluctant to do this because the bank did not negotiate the financing for this purpose and it would have to lay that money off on several institutions.

Regent Shaw said he thought there were two issues: 1) The rate at which money is to be bid. He said it might be imprudent to go ahead with whatever rate the board gets unless it feels the project is feasible over the long term. He said the board should not put too much reliance on short-term protection unless in three or four years there is a drop over the long term. 2) Whether or not the board wants to use a back up. He said there is a serious judgment question and the board could be faced with a huge amount coming due. President Petersen indicated these items would be a part of the decisions made by the board at the April board meeting.

MOTION:

Dr. Harris moved that the board authorize the executive secretary to have the short-term loan agreement with Iowa Des Moines National Bank drawn up for possible adoption at the board meeting in April. Mr. Shaw seconded the motion and it passed unanimously.

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Thursday, March 13, 1980.

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

APPOINTMENTS OF UNIVERSITY ADMINISTRATORS. The board was asked to approve the following appointments:

Reappointment:

J. Stanley Ahmann as Chair of the Department of Professional Studies beginning July 1, 1980, and ending June 30, 1985.

Appointments:

Abraham Epstein as Chair of the Department of Plant Pathology, Seed and Weed Sciences, beginning March 1, 1980, and ending June 30, 1985.

George A. Kizer as Acting Chair of the Department of Professional Studies from March 1 through June 30, 1980, during the Faculty Improvement Leave of J. Stanley Ahmann.

MOTION: Dr. Harris moved that the board approve the appointments of Dr. Ahmann, Dr. Epstein, and Dr. Kizer. Mr. Bailey seconded the motion and it passed unanimously.

IOWA STATE UNIVERSITY HEATING PLANT MATTERS. Several recommendations were made to the board. These were: to accept a report from Stanley Consultants, Inc., on review of the Heating Plant Facility and Utility Services Staffing; approve a new project, Heating Plant Improvements - 1980; approve a contract for engineering services with Brown Engineering Company; confirm to the Governor and Legislator that the cost of repairs to damaged Turbine Generator #5 is estimated to be \$600,000 and recommend capital appropriations be made available in the 1980 Session; reallocate utility appropriations for water pollution control plant share; receive an oral report on progress toward submittal of an Emission Reduction program to the Department of Environmental Quality; and direct the university and Board Office to do further study on the portions of the Stanley report dealing with organization and staffing.

The Board Office noted that last July there was a fire in the heating plant at Iowa State University which severely damaged a turbine generator and did about \$450,000 worth of damage to the plant itself. The report by Stanley Consultants, Inc. was prepared at the direction of the board. Stanley Consultants investigated management policies and procedures, staffing, and safety and reliability of the heating plant. The board was asked to accept the report from Stanley Consultants on review of Iowa State University Heating Plant and Utility Services Staffing.

Regent Bailey noted that the Stanley engineers made a recommendation to inspect and replace existing corroded structural steel in the bunker filling system and that Brown Engineering found that these steel members were of no structural importance. He also noted that the Stanley engineers identified a transformer as being oil filled when it in fact is a dry transformer. He said he was concerned that the engineers could have made these errors and felt that these statements by the Stanley engineers lead to questions about some of their other recommendations.

William Whitman, Director of the Physical Plant at Iowa State University, said Stanley Consultants was hired to make observations, not to do a structural analysis. It was not known that the steel members were of no structural importance until after they were uncovered. As to the dry transformer, no one told the engineers it was a dry transformer. The Stanley engineers identified it according to its name plate which indicated it to be an oil filled transformer.

Mr. Whitman indicated that the university and Brown Engineering concurred with the major recommendations of the Stanley engineers except for those on coal storage and enclosing the ash system. Mr. Whitman noted action on these items would have a tendency to clean up the area but would not be critical to the situation. He also said the cost of implementing these suggestions would be prohibitive. In response to a question from President Petersen, Mr. Whitman said the dust problems would be corrected somewhat by the air system in the plant and by using washed coal. He noted the university has been assured it will be supplied with washed coal and this will help in the efficient operation of the plant.

Dr. Harris asked if pulmonary function studies were performed on the people who work in the plant. Mr. Whitman said no. Studies have found it not to be in excess of established standards. He noted that workers wear respirators when working in some areas. Dr. Harris said he thought these people should have chest X-rays because it is possible to get matter into the lungs. He said this is especially important if employees are required to wear respirators because if pulmonary functions are not at a certain level, people should not wear respirators.

Vice-President Madden said there have been a number of discussions with the health and safety representatives about physical examinations for people in a variety of activities. He said a major problem is that it is very expensive to start examinations within the work force of the institution and these must be considered in terms of budget implications.

Mr. Whitman noted that another area of concern is stress in the heating plant in the summer months. He noted improved plant ventilation would address this problem.

President Petersen accepted the report from Stanley Consultants on behalf of the board.



IOWA STATE UNIVERSITY  
March 13, 1980

The board was asked to approve a new project, Heating Plant Improvements - 1980, in the amount of \$1,490,000. The project would address the recommendations on facilities' improvements broken down by safety and reliability and efficiency enhancement. The subprojects are:

Closed Coal Bunker Filling System, excluding installation of a wet dust suppression system	\$127,000
Plant Communications System	25,000
Pneumatic/Hydraulic Door Operators, Piping, and installation for four boilers	48,000
A Comprehensive Plant Fire Protection System, excluding installation of a halon system	155,000
Combustion Air Heating System for the plant	67,000
Precipitator Control Room Ventilation	8,000
Installation of a new Central Control Room	717,000
Construction of a new Utility Service Office Building	98,000
Improvement in Plant Ventilation	58,000
Contingencies	90,000
Engineering Fees	<u>97,000</u>
<b>TOTAL PROJECT</b>	<b><u>\$1,490,000</u></b>

The university noted that several recommendations have already been undertaken or are in progress and are not included in the above new project. It also noted that it was not undertaking some of the recommendations at this time. A complete list is on file in the Board Office.

It was further recommended that the board approve a contract with Brown Engineering Company, Des Moines, Iowa, to undertake the necessary design work on the above project. Cost of the design contract would be hourly rates at a maximum of \$97,000

There was some discussion about the recommendation to reallocate utility appropriations in the amount of \$1,900,000 allocated to Iowa State University for water pollution control plant share, subject to review (approval) of the Governor and the Legislature.

The Board Office reviewed the background for the allocation of these appropriations. The 1979 Legislative Session appropriated \$12,300,000 to meet capital utility needs of the three universities. For Iowa State University, without a dollar amount being attached, projects listed were: Pollution Control Plant Share, Utility Maintenance and Improvements, and Storm Sewer Addition. In June the board allocated \$1,900,000 to Iowa State University for the purpose of the water pollution control plant share. The city of Ames is required to construct a completely new water pollution control plant primarily to meet the effluent quality standards of the United States Environmental Protection Agency and the Iowa Department of Environmental Quality. Under terms of an agreement between the city and the board, the university is obligated to participate in the cost of the project on a pro rata basis. The total cost of the facility is estimated in excess of \$30,000,000 with the university's

share estimated at \$1.9 million. At the time it was anticipated that the full amount of the university's share would be needed during the 1979-81 biennium.

Up-to-date information indicated that this plant has been substantially delayed and contract awards won't be made until about March, 1982, with construction completed in August, 1984. The university's share of design costs through December, 1981, are estimated to be \$110,000. Major costs will not begin to occur until after the project is under construction. It is anticipated that because of the delay in project initiation overall costs of the project have gone up substantially. In any case, the board would need to request a supplemental appropriation for this purpose in either the 1982 or 1983 Session.

The Board Office recommended that the \$1.9 million previously allocated for this purpose be reallocated as follows:

Heating Plant Improvements - 1980	\$1,490,000
Heating Plant Repairs (Fire Loss)	300,000
Water Pollution Control Plant Share	<u>110,000</u>
TOTAL	<u>\$1,900,000</u>

The Board Office noted this reallocation will be subject to review and concurrence by the State Comptroller and the Legislature. It said it believed the language appropriating these funds is broad enough to allow this reallocation. It will be necessary for the state to replace funds used for the above purposes once the water pollution control plant is under construction.

The funds would be allocated to the heating plant improvement project as detailed above and would also fund that portion not handled by the Executive Council (\$300,000) of the repairs to the Heating Plant necessitated by the fire. It would keep in the account enough money to pay estimated design costs on the water pollution control plant for this biennium.

Mr. Richey said he mentioned this reallocation request to Senator Murray, chairperson of the Senate Appropriations Committee, so the committee would know about it. Senator Murray expressed concern about the large amount of money necessary to be put into utilities and he cautioned that there is a limited amount of money available. The request has also been mentioned to the Governor's Office and the State Comptroller but there has been no indication of their attitudes toward this plan.

Mr. Richey said he felt this would be an appropriate plan to follow and the Board Office was strongly recommending it. These are items identified in the Heating Plant that need to be done and this will aid in managing and operating the plant.

Mr. Richey said the language appropriating funds was probably broad enough to permit the money to be spent in this way. An entry into the

minutes of the appropriate committee would be needed as well as concurrence of the Governor so when the board goes back for water pollution funds next year, everyone will be aware of what took place.

President Petersen noted this would be a prudent and continued investment. She said part of the problem is that there has not been continued adequate investment in the Heating Plant.

Vice-President Moore agreed and said the plant became large before the university realized it was a big-time operation. This expenditure is not necessarily a debt loss if it is remembered that the plant has been effective for 20 or 30 years.

**MOTION:**

Dr. Harris moved that the board approve the new project, Heating Plant Improvements - 1980, in the amount of \$1,490,000; approve a contract for engineering services with Brown Engineering Company, Des Moines, Iowa, for comprehensive engineering services on the new project; and re-allocate as outlined above utility appropriations in the amount of \$1,900,000 allocated originally to Iowa State University water pollution control plan share, subject to review of the Governor and the Legislature. Mr. Neu seconded the motion and it passed unanimously.

The next recommendation the board was asked to consider was to confirm the estimated cost of repairs to damaged Turbine Generator #5 to be \$600,000 to the Governor and the Legislature and recommend that capital appropriations be made available to that amount from the 1980 Session.

The Board Office said the Executive Council allocated \$150,000 to the institution to cover the costs of repairs and renovation of the roof and the upper part of the wall in the southwest corner of the building. The board included \$700,000 for repairs to the damaged turbine generator in its capital request to this session of the Legislature. The additional repairs to the Heating Plant totaling \$300,000 were requested of the Executive Council in January, 1980. The council recommended the request be added to the capital request before the Governor and the current session of the General Assembly.

Worthington Service Corporation, manufacturer of the unit, examined the damaged turbine generator in depth. A report of its findings, distributed at the board meeting, indicated there was no internal damage. The university indicated it believed the preliminary estimate of \$766,000, to repair the unit was excessive. It said the estimated cost is being reviewed with the manufacturer and Brown Engineering Company and believed a substantial reduction could be achieved. The university is attempting to negotiate a project cost within the recommended appropriation of \$600,000.

Mr. Whitman indicated that Worthington Service Corporation has taken the parts of the generator with which it needs to work back to their plant. He said it would be about six weeks before the firm would have a final estimate. It was his feeling that the company is hedging on the high side. He said there are a number of items included in the estimate and it may be possible to contract the items separately rather than having it all done as one package. He was confident the price would come down.

Mr. McMurray noted it was not possible to develop a detailed line item budget at this time. He said two pieces of the budget have already been expended. The executive secretary authorized a purchase order of \$65,000 to Worthington Service Corporation and the Capital Register contained a change order increasing the amount by \$3,000. He noted the board needed to ratify the executive secretary's action and the change order.

**MOTION:**

Dr. Harris moved that the board confirm the estimated cost of repairs to damaged Turbine Generator #5 to be \$600,000 to the Governor and the Legislature and recommend that capital appropriations be made available to that amount from the 1980 session; and ratify the executive secretary's action on the purchase order with Worthington Service Corporation and the change order. Mr. Bailey seconded the motion and it passed unanimously.

The Board Office noted that over the past several months the Iowa Department of Environmental Quality (DEQ) has cited the institution's physical plant as being in violation of administrative rules of the department. Citations are the result of visual emissions from the stacks at the university exceeding the opacity standards of the DEQ. An emission reduction program of the plant has been agreed to by the university, Board Office, DEQ, and representatives of the federal agencies. The program is intended to bring the power plant into full compliance with the rules and regulations of the DEQ.

Regent Neu said he understood that some coal producers have been unable to supply washed coal but were now planning to supply it. He asked how they could supply washed coal now when they could not supply it before.

Mr. Richey noted that neither of the two Iowa suppliers of coal have the ability to wash it. The university is planning to receive the rest of the coal for which it has contracted this year and it will be washed at the university. The heating plant will pay for this rather than renegotiate contracts. Half of the coal will be washed and half will be mixed as possible to stay within standards.

The coal suppliers are to have their washing plants in operation by September which will begin a new contract year with the university. One of the suppliers has indicated it will lease a coal washing plant.

The other supplier is to notify the university of its plans in a week or two. Both suppliers have been notified that the university will not buy unwashed coal as of September 1, 1980, because of environmental considerations and the mess created for the heating plant when it handles unwashed coal. The university has 5-year contracts with the suppliers. This will encourage operators to put out an acceptable, useful product. Mr. Richey said he felt this plan was an excellent way to work out the problem and be in compliance with the standards.

Mr. Whitman indicated there are three years left to run on the contracts with the coal operators. He said it had been expected that the washing plants would be installed by now but that it is difficult to get financing for a coal washing plant. This is because it is unknown what the emission standards of the state of Iowa will be and Iowa coal is borderline, even if it is washed.

He said an alternative would be to use western coal. He noted that the freight rate on western coal is over \$20 and there is a surcharge on freight rates. He said a 4% increase on western coal would be more of an increase than the same rate on Iowa coal. He noted the university is in its present situation because it tried to help out the coal industry and anticipated a better product. He said this action would force the industry to make needed modifications.

President Petersen said the board needs to make it clear that it is interested in efficiency as well as in compliance although sometimes these goals are in conflict.

Mr. Richey noted the complete emission reduction program would be included on Iowa State's next capital register per board procedures.

The Board Office recommended that the university be directed to subject the portions of the Stanley report dealing with organization and staffing to further study with the intent of a report being issued for board consideration no later than the May, 1980, board meeting. The Board Office noted the recommendations include establishment of a position of associate director, reorganization of the utilities services department, upgrading of salary levels of experienced operators and maintenance personnel, and initiation of a training program for plant personnel. Part of the recommendations are being implemented but the university decided not to establish a new position of associate director of the physical plant. This person would have the sole responsibility for the design and operation of the utilities system.

Mr. Richey noted that the university has good reasons for hesitating on implementing some of the staffing recommendations. He said the Board Office felt these are crucial to the success of the program and the recommendations should be reviewed again.

Vice-President Moore indicated that one of the university's reasons for hesitating is the market for engineers - they receive very high salaries.

President Petersen said that one should never apologize for additional administrative positions. This is an additional investment in management. Regent Bailey, on the other hand, said he did not want to be in the

position of encouraging the university to hire more people if it can get along without them.

**MOTION:** Dr. Harris moved that the board direct Iowa State University and the Board Office to reexamine the recommendations relative to organization and staffing in the Stanley report and to report back to the board on all such recommendations no later than the May, 1980, board meeting. Mr. Shaw seconded the motion and it passed unanimously.

**MEMORIAL UNION - BOOKSTORE RENOVATION.** The board was asked to approve an amendment to the Memorandum of Understanding between the university and the Iowa State University Memorial Union to provide for remodeling of the bookstore. The amendment states:

The Iowa State University bookstore will reimburse the Iowa State Memorial Union funds not to exceed \$40,000 for modification to the Bookstore office and sales area as outlined in the...preliminary drawing which defines the scope of the work desired by the university bookstore.

These modifications will be commenced in a timely fashion starting in the spring of 1980 with payments by the university to be made in proportion to the work progress.

The Iowa State University Memorial Union will make the necessary arrangements with the appropriate architects and contractors based on the attached budget.

In response to a question from the Board Office, Vice-President Moore said that for a project of this size costs would be increased considerably by using specifications of bid documents. He noted the selected contractor is already working in the building and he will be required to work around the needs of the bookstore. President Petersen noted this approach is not unusual for projects under \$10,000.

Mr. Moore noted that the Memorial Union is not under the same state law as the Board of Regents on bidding.

Regent Neu asked if the contract would be broken down into separate parts under \$10,000 pieces. Vice-President Moore said this was possible but it would be negotiated between the Memorial Union and the contractor.

MOTION:

Dr. Harris moved that the board approve the amendment to the Memorandum of Understanding between the university and the Iowa State University Memorial Union to provide for remodeling of the bookstore. Mr. Bailey seconded the motion and it passed unanimously.

CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final register for February 22 through March 14, 1980 had been received, was in order, and was recommended for approval.

The following construction contract awarded by the executive secretary was recommended for ratification:

Armory - Remodel for Parking and Security Offices

Award to: Boone Construction, Inc., Boone, Iowa

\$153,263.00

The university submitted an amended project budget reflecting this award and keeping the project budget at the prior approval level of \$200,000 funded by \$80,000 from parking systems and \$120,000 from Overhead Reimbursement for Use of Facilities.

MOTION:

Mr. Bailey moved that the board approve the Register of Capital Improvement Business Transactions for February 22 through March 14, 1980; ratify the construction contract award made by the executive secretary; approve the amended project budget; and authorize the executive secretary to sign all necessary documents. Mr. Wenstrand seconded the motion and it passed unanimously.

President Petersen then asked board members and institutional executives if there were additional matters to be brought up for discussion pertaining to the Iowa State University.

Regent Shaw said he had been reading about the development of a bus system in Ames and had some concerns about it. As he understood the proposal, the system would be administered by three students, three city representatives, and one administrator of the university. He was concerned by the emphasis on student leadership of the system.

Another of his concerns was that some of the people of the city of Ames do not appear to be very interested in the proposal. He would not like to see the board's relationship with the city modified by negotiations in which it is not one of the principal parties. He wondered if there would be economic impact on the users of the system and noted that students would need to put \$14 million into the system. He objected to imposing additional costs on students.

President Parks said the university is not committed to any plan. He said the study that has gone on so far should be applauded and that this effort is in the right direction. He said there was a referendum in which 60% of the students were in favor of this. The Government of Student Body also passed a resolution in favor of it.

President Parks noted there would be some advantages to such a system. The city and the university are already putting some money into transportation arrangements. Through association with the city it would be possible to acquire capital equipment with federal funds.

He further noted that it would not be possible to go on "with business as usual" in the future because fuel will be much too expensive. It is necessary to think more innovatively and more cooperatively than in the past.

Regent Bailey noted that when Cambus was introduced at the University of Iowa, there was a lot of talk about a pedestrian campus and nothing has been said about this for a while. He asked what changes brought this to a head.

Vice-President Moore said he had been meeting with student representatives about this proposal. It would bring together a lot of fragmented bus systems and eliminate on street parking. He said about 13,000 students have cars and city residents are not too pleased with the on street parking situation. There is no shortage of parking space at the university but it is in the wrong place.

President Parks pointed out that many students do not live right on campus and this would enable them to take a bus to the campus.

Vice-President Madden said one of the major concerns of students is the availability of transportation in the evening and on weekends. City buses do not run after 6 o'clock. Many parking lots have been eliminated because of construction and students need to be able to get to the new facilities in order to use them.

Regent Bailey said there may be a need for a transportation system and it should be met but the university should be careful not to go overboard.



UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Thursday, March 13, 1980.

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

LONG-RANGE ACADEMIC PLANNING REPORT. President Petersen called attention to the fact that the long-range planning document of the University of Northern Iowa would be sent out to board members. She said it would be of real benefit at the seminar if board members looked at the material before hand. She noted that at previous seminars a great deal of material has been distributed and the most benefit has been in the board's ability to use the material ahead of time.

Vice-President Martin noted that because of their size departmental reports were not reproduced. They are available at the institution or at the Board Office.

CHANGE OF NAME OF THE DEPARTMENT OF BUSINESS EDUCATION AND OFFICE ADMINISTRATION TO DEPARTMENT OF BUSINESS EDUCATION AND ADMINISTRATIVE MANAGEMENT. It was recommended that the board refer this matter to the Interinstitutional Committee for Educational Coordination and the Board Office for review.

The institution said the change would connote some form of administrative responsibility and was needed in order to differentiate graduates from this program from graduates of technical clerical programs. The change would more clearly reflect the academic preparation of the majors in this program.

MOTION:

Mr. Bailey moved that the board refer the change of name of the Department of Business Education and Office Administration to the Department of Business Education and Administrative Management at the University of Northern Iowa to the Interinstitutional Committee for Educational Coordination and the Board Office for review. Mr. Wenstrand seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office said the Capital Register for February 9 through March 3, 1980, had been received, was in order, and was recommended for approval.

The board was asked to approve the following new project:

Residence System - Fire Safety Modifications - Phase II  
Source of Funds: Residence System Improvement Funds \$82,000.00

The Board Office noted that a State Fire Marshal inspection of all buildings on the campus in 1979 pointed up a number of fire safety

violations in non-academic space. Cost of corrections expressed in 1979 dollars was approximately \$450,000. The major cost center is in Bartlett Hall where it is necessary to change doors serving sleeping rooms to solid core wood doors. This involves 312 new doors at a construction cost of \$78,000.

Phase I of the project consisted of purchase and installation of fire extinguishers, fire blankets, and other miscellaneous work at a cost of \$21,360 funded by operations funds. Phase II initiates correction of the "most critical concerns" of the Fire Marshal recommendations.

In response to a recommendation by the Board Office that the institution detail what modifications are being made in the \$82,000 project and that it indicate a timetable for elimination of all deficiencies pointed out in the Fire Marshal's inspection, Vice-President Stansbury presented a schedule to the Board Office including this information. The Board Office also asked if the Fire Marshal had agreed to the timetable. Vice-President Stansbury said the university has an oral agreement with the Fire Marshal on the schedule but would be happy to get a written agreement. He said the schedule was considered flexible because it is possible at times to pick up a project or delay a project. He said the Fire Marshal has been very cooperative.

The board was asked to approve consultant contracts relating to the university's energy conservation program:

At the February meeting, the university presented a status report on its energy conservation program. The board authorized the university to negotiate several design agreements with Durrant Engineers, the campus energy consultant, to initiate implementation of portions of the energy management program. Two of those agreements were presented for board approval at this meeting.

The board was asked to approve an agreement for design of energy retrofit for selected quick returns of investment items in the seven buildings of the initial energy audit study by the engineers. These retrofits are all of the type that can be made without having a central control system installed and operating. Estimated total cost of non-controlled retrofit items is \$142,900 for construction. The fee is fixed at \$14,300 or 10% of construction. The university indicated this is a reasonable fee considering the nature and complexity of the project.

This project is a subproject to the budget approved by the board in February of \$450,000 to provide retrofit modifications for seven buildings.

The board was asked to approve an agreement to undertake an energy audit and study of 28 additional buildings on campus totaling 1,255,892 gross square feet. It is believed many energy conservation opportunities are present in these buildings.

The project schedule would see a final project report on the 28 buildings developed beginning September 15 which will mean a great deal of the information can be utilized for formulation of an energy capital request to the 1981 Legislature. The energy study would be conducted for a fixed fee of \$73,500 which is a reasonable fee and well within line with the initial estimate for this type of study.

MOTION:

Mr. Bailey moved that the board approve the Register of Capital Improvement Business Transactions for the period of February 9 through March 3, 1980; approve the new project; approve the agreements in the energy program as outlined above; and authorize the executive secretary to sign all necessary documents. Mr. Shaw seconded the motion and it passed unanimously.

FARM LEASES - 1980. The board was asked to approve three farm leases.

The Board Office noted the Hoskins Lease is an extension of an existing lease approved by the board in 1974 and renewed last year for \$225. The current lease calls for a flat rate rental of \$250 or approximately \$58 per tillable acre. This represents an 11% increase. The tenant is responsible for weed control and the control of other growth on the untillable portion of the land.

The Board Office noted the Becker Lease - Parcel A is a one-year renewal of a lease approved in May, 1979, of 17.5 acres of land west of the University of Northern Iowa Dome. The land is planned for future use by the Department of Physical Education. The rental rate for this land is \$100 per acre, or \$1,750, the same rent charged last year. If herbicides are used, the tenant is obligated to use only those with no carryover effect for the crops planted in 1981.

The Board Office said the Becker Lease - Parcel B is a renewal of a land lease at the south edge of the institution's campus. It noted that last year the university indicated approximately 103.5 acres of property, one section of 40 acres and an adjoining section of 63.5 acres, would be rented for \$100 per acre.

When the lease was signed on the 40-acre section, it was agreed that only 36.5 acres were tillable since the Dome Observatory and access roadway are located on the parcel. The Board Office recommended that the lease specifically exclude the land on which the Dome Observatory is located as well as the roadway, although the tenant should have the right to use the roadway during the term of the lease. Since the university proposed to reduce the leased premises by approximately 1.5 or 1.6 acres, the total acreage under the lease will be reduced to approximately 98.5 acres.

The rental rate will be increased from \$100 to \$105 per acre, a 5% increase, for a total rental of approximately \$10,343. If a herbicide is used, the tenant is obligated to use only those with no carryover effect for the crops planted in 1981.

MOTION:

Mr. Bailey moved that the board approve the farm leases as outlined above. Dr. Harris seconded the motion. Upon a roll call the following voted:

AYE: Bailey, Harris, Jorgensen, Shaw,  
Wenstrand, Petersen

NAY: None

ABSENT: Belin, Brownlee, Neu

TRANSFER OF ENDOWMENT FUNDS TO THE UNIVERSITY OF NORTHERN IOWA FOUNDATION. It was recommended that the board approve a transfer of three endowment funds (and funds functioning as endowment) to the University of Northern Iowa Foundation, Inc. The Foundation would become Co-Trustee of the funds. The total amount transferred would be \$7,746.

The Board Office noted that as a matter of operating policy funds of this type, that is student awards and scholarships, are received and administered by the Foundation. The recommended action was based on an as yet unpublished general audit recommendation to formalize the status of a prior transfer. The auditor did not question the management of the funds but noted the separate legal status of the foundation from the university. This request will put the university in agreement with the auditor's recommendation.

The Board Office recommended that the board approve the proposed transfers.

MOTION:

Mr. Bailey moved that the board approve a transfer to the University of Northern Iowa Foundation, Inc. of three endowment funds (and funds functioning as endowment): The Bartlett-Freeland Debate Award; the Alice O. Gordon Bequest; and the Furness & May W. Lambert Scholarship Fund for Purposes of Custody and Administration. Mr. Shaw seconded the motion.

Regent Shaw asked if the foundation would do as the gifts provide and Regent Bailey expressed a concern that money given to the university would be outside of the university's control. Vice-President Stansbury said that the covenants of the wills would go along with the transfers.

VOTE ON MOTION:

The motion passed unanimously.

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

## IOWA SCHOOL FOR THE DEAF

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

INFORMATIONAL ITEM. Superintendent Giangreco noted that the Conference of Executives of American Schools for the Deaf will meet in Omaha, Nebraska, at the Ramada Inn May 4-7. The meeting is being hosted by Nebraska School for the Deaf and Iowa School for the Deaf.

Approximately 400 administrators from schools for the deaf in North America are expected to attend this meeting. Programs were to be mailed to the Regents as soon as the institution received them.

CONTINUING COOPERATIVE PROJECTS. The institution submitted a brief report about continuing cooperative projects with the three universities which built on the report given to the board at the February board meeting by the Iowa School for the Deaf Advisory Committee.

Superintendent Giangreco said the school was very pleased with the cooperation received from the three universities.

President Petersen said the board was also pleased with the way in which things were being worked out to deliver better services to students and received the report on behalf of the board.

REGISTER OF CAPITAL IMPROVEMENT TRANSACTIONS. There were no capital improvement business transactions for February, 1980.

President Petersen then 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 none.

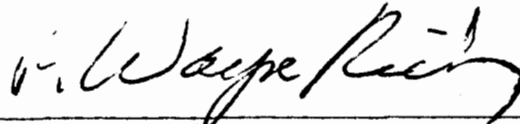
IOWA BRAILLE AND SIGHT SAVING SCHOOL

REGISTER OF PERSONNEL TRANSACTIONS. The actions preported in the Register of Personnel Changes for February, 1980, were ratified by the board.

REGISTER OF CAPITAL TRANSACTIONS. There were no capital improvement business transactions for February, 1980.

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

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 3:15 p.m. on Thursday, March 13, 1980.



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R. Wayne Richey  
Executive Secretary