

The State Board of Regents met at the State University of Iowa on Thursday, September 21, and Friday, September 22, 1978. Those present were:

	<u>September 21</u>	<u>September 22</u>
Members of State Board of Regents:		
Mrs. Petersen, President	All Sessions	All Sessions
Mr. Bailey	All Sessions	All Sessions
Mr. Barber	All Sessions	All Sessions
Mrs. Belin	Absent	Absent
Mr. Brownlee	All Sessions	All Sessions
Dr. Harris	All Sessions	All Sessions
Mr. Shaw	Arr. 9:15 a.m.	Arr. 9:10 a.m.
Mr. Slife	All Sessions	All Sessions
Mr. Wenstrand	All Sessions	All Sessions
Office of State Board of Regents:		
Executive Secretary Richey	All Sessions	All Sessions
Director Barak	All Sessions	All Sessions
Director Caldwell	All Sessions	All Sessions
Director McMurray	All Sessions	All Sessions
Ms. Bacon	All Sessions	All Sessions
Mrs. Mininger	All Sessions	All Sessions
Miss Van Ryswyk, Secretary	All Sessions	All Sessions
State University of Iowa:		
President Boyd	All Sessions	All Sessions
Vice President Brodbeck	All Sessions	All Sessions
Vice President Jennings	All Sessions	All Sessions
Assistant to President Mahon	All Sessions	All Sessions
Assistant Vice President Small	All Sessions	All Sessions
Director Colloton		Arr. Noon
Director Hawkins	All Sessions	All Sessions
Director Tobin	All Sessions	All Sessions
Iowa State University:		
President Parks	All Sessions	Excused
Vice President Christensen	All Sessions	Exc. 2:10 p.m.
Vice President Hamilton	All Sessions	Exc. 2:10 p.m.
Vice President Moore	All Sessions	Exc. 2:10 p.m.
Assistant Vice President Madden	All Sessions	All Sessions
Assistant to President Henry	All Sessions	All Sessions
University of Northern Iowa:		
President Kamerick	All Sessions	Exc. 2:00 p.m.
Provost Martin	All Sessions	Exc. 2:00 p.m.
Vice President Stansbury	All Sessions	All Sessions
Vice President Voldseth	All Sessions	All Sessions
Director Kelly	All Sessions	All Sessions
Iowa School for the Deaf:		
Superintendent Giangreco	All Sessions	Exc. 2:35 p.m.
Business Manager Kuehnhold	All Sessions	Exc. 2:35 p.m.
Iowa Braille and Sight Saving School:		
Superintendent DeMott	All Sessions	Exc. 1:55 p.m.
Business Manager Berry	All Sessions	Exc. 1:55 p.m.

Also attending were: Mr. Larry Purdue of the State Comptroller's Office
Mr. Ethan Towne, Legislative Fiscal Bureau

GENERAL

The following business pertaining to general or miscellaneous items was transacted on Thursday, September 21, 1978.

APPROVAL OF MINUTES. The board was presented minutes of the Iowa State University seminar held May 31, 1978, and minutes pages 729a-729f for approval.

Approval of the July 19-20, 1978 minutes was deferred until the October 5th meeting of the board.

In absence of objections, President Petersen approved the Iowa State University seminar minutes and the minutes pages presented the board.

COMMITTEE ON EDUCATIONAL COORDINATION. A. Annual Report of Committee on Educational Relations. The board was requested to accept the report on the Regents' Committee on Educational Relations.

The board was presented a copy of a report prepared by the Committee on Educational Relations for 1977-1978. This report is on file at the Board Office.

It was noted that modifications have been made in the statute (Section 286A.3, Code of Iowa) regarding responsibility of the Regents in the joint Department of Public Instruction/Regents/area school approval process. This statute had been a primary basis for the board's involvement in the annual evaluation of the area schools. As a result of the repeal of this section, there is a question about the statutory responsibility of the Regents in this whole area. The Regents do have statutory responsibility under Section 280A.33, entitled "Joint Action with Board of Regents," which could be interpreted to provide a general responsibility for the board's involvement in the annual reviews in that it would require participation in the process, not merely approval of the outcome, to satisfy the responsibility.

The committee's involvement in the process of approving credit transfer from nonaccredited private Iowa institutions to accredited institutions was also discussed. For a number of years, the committee has served in this role as a result of the appointment of the University of Iowa's registrar by the American Association for Collegiate Registrars and Admission Officers to serve as the state's association representative in this capacity. The University of Iowa registrar has involved the Committee on Educational Relations in this process since the committee's involvement adds a greater degree of acceptance to the process.

It was pointed out that a private Iowa university has been making applications in a number of other states for approval to operate within those states. In the materials being submitted in support of its approval, this institution has inferred that it has the "approval" of the Iowa State Board of Regents. As a result of this misrepresentation, the Iowa Board of Regents is becoming involved in a controversy in at least one state over the granting of approval to this institution to operate within its state boundaries. In that state, the state coordinating agency which has statutory responsibility for the approval of private institutions operating within its state borders, sent an evaluation team to review the Iowa institution's local program. This evaluation team reported back that it would recommend that the program not be approved, due to what it felt were low educational standards. The question has now been raised as to why the Iowa institutions have approved this program when the program does not meet the standards of another state.

The problem noted above suggested the need for the Committee on Educational Relations to review its policies and procedures for the acceptance of credit from nonpublic, nonaccredited institutions. The Board Office has requested that the Interinstitutional Committee on Educational Coordination request the Educational Relations Committee to review:

- 1) the relation of the Educational Relations Committee to the American Association of Collegiate Registrars and Admissions Officers;
- 2) the need for a "disclaimer" type clause, specifying what committee approval does and does not actually mean;
- 3) the need to update the rules described in discontinued Handbook 8 for the approval of private nonaccredited institutions. (It may be that at the present time the committee may not have any policies or procedures regarding this matter because its publication, which contained three policies, has been officially discontinued); and
- 4) the policy of the committee (i.e., Regents) with regard to the acceptance of credit from institutions having "candidate" status with the North Central Association due to the ease with which this status can be obtained. The committee should also review its policies to make sure they are consistent with existing administrative rules.

The Board Office recommended the committee on Educational Relations take the above factors into consideration as it undertakes the study of its mission. The Board Office also encouraged the committee to review its responsibilities to see if any changes or revisions are needed.

Vice President Brodbeck introduced Associate Dean Paul Morgan, College of Engineering, Iowa State University, who was chairman of the Committee on Educational Relations for 1977-1978. President Petersen expressed thanks to Associate Dean Morgan and other members of the committee on behalf of the board for the committee's ongoing and very important work.

In absence of objections, President Petersen accepted the annual report of the Regents' Committee on Educational Relations for the board.

Discussion arose with respect to the change in statute regarding the joint Department of Public Instruction/Regents/area school approval process. Mr. Richey reported that he was not informed of this change in legislation until one month ago. The statute involved refers to elimination of vocational/technical programs in the area schools from the board's review. However, the statute would not, until a year ago, eliminate the college transfer programs within the area schools from the board's statutory responsibility. Chairman Morgan reported that the Committee on Educational Education is currently researching all statutes on this matter and hopes to make available a chronological listing of changes in statutes.

Mr. Richey commented that he felt an Attorney General's opinion on the above issue should be obtained. Chairman Morgan said that such an opinion is being anticipated.

Discussion then ensued pertaining to the recent problem regarding the committee's involvement in the process of approving credit transfer from nonaccredited private Iowa institutions to accredited institutions. Mr. Richey said this issue has been raised the last couple years because it has become a national issue with respect to fraud in the United States. The federal government has tried to tighten up standards for licensing or approving institutions of postsecondary education. There has also been talk about having some kind of statute in Iowa other than the consumer fraud statute to regulate these kinds of institutions; however, this legislation has not gotten very far.

B. Annual Report of Registrars' Committee on Coordination. The board was requested to accept the annual report of the Registrars' Committee on Coordination for 1977-1978.

The Board Office indicated that the 1977-1978 annual report of the Registrars' Committee on Coordination includes brief discussions on enrollment projections, the Iowa College Enrollment Report, Regents' programs for study abroad, federal regulations on the student as consumer, preregistration, residence regulation, Bachelor of Liberal Studies, and persistence study follow-up.

The report noted that all three universities are using the same data bases for developing their enrollment projections. This approach has been encouraged by the Board Office because of the growing importance of enrollment projections in the work of the board and the planning of the Regents' institutions. It was reported, however, that methodologies of using the data bases do vary from institution to institution.

The report also pointed out that interinstitutional discussion has been going on regarding the federal regulations on the "student as consumer." The report indicated that all three university campuses are now already in compliance with "almost everything in the regulations." It is assumed that the Regents' universities will be adopting regulations and procedures that will bring them into complete compliance with the new federal regulations.

The registrars' report commented that residence regulations are a "constantly recurring agenda item."

September 21-22, 1978

In response to the Board Office's comments regarding lack of appeals regarding residence classification, Dean W. Albert Cox, chairman of the Registrars' Committee on Coordination, reported that the question of residence regulations does come up every year. He indicated that the registrars' admissions group meets once a month and there is always something new in the residence classification area in terms of a particular problem. The institutional registrars are continually working to make rules alike inter-institutionally.

Regent Bailey asked Dean Cox for an explanation of what the "12-month rule" means. Dean Cox reported that an adult person who has established residence in the state of Iowa is expected to live in this state 12 months prior to enrollment in a state university. Mr. Richey added that there are certain ways that resident status can, however, be achieved for tuition purposes in less than 12 months. There is not "an iron clad 12-month waiting period" because a court case has declared that sort of restriction is illegal. Dean Cox added that students denied resident tuition rates do not have a nonrebuttable case due to Supreme Court rulings on two different cases.

C. Annual Report of Interinstitutional Coordinating Council for International Studies. The board was requested to accept the annual report of the Interinstitutional Coordinating Council for International Studies for 1977-1978

Vice President Brodbeck commented that the council presented the board a set of revised guidelines for Iowa Regents' study abroad programs and general conditions for Iowa Regents' universities foreign studies programs. The guidelines, she noted, were discussed two or three years ago and it was then decided to develop more formal guidelines interinstitutionally with the help of the foreign language teachers in all three universities. Information provided in such guidelines includes registration of students, payment of fees, etc. The guidelines have been well received both in Iowa and other states.

President Petersen congratulated the council for its extensive effort in coordinating the international studies programs of the three Regents' universities.

D. Approval of New Programs, Iowa State University. The board was requested to approve Iowa State University's program proposals for a specialist degree in School Psychology; a curriculum in Agricultural Extension Education; a curriculum in Seed Science; an undergraduate major in Agricultural Biochemistry; and a change in the name of the graduate major in Fisheries Biology and Wildlife Biology to a major in Animal Ecology.

The Board Office noted that the Interinstitutional Committee on Educational Coordination has reviewed and approved the proposed new programs for Iowa State University.

The Board Office reported that at the June board meeting, questions were raised by board members about the duplication of the specialist degree in School Psychology. According to the interinstitutional committee's report, "the establishment of the degree will simply give the same recognition to Iowa State graduates for similar work completed as it is now given to graduates of the School Psychology Program at Drake University, the University of Northern Iowa, and the University of Iowa."

MOTION:

Dr. Harris moved that the board approve the new programs at Iowa State University as listed above. Mr. Slife seconded the motion and it passed unanimously.

INTRODUCTION. President Petersen introduced Representative Wally E. Horn who was in attendance at the board meeting.

REPORT OF REGENTS' COMMITTEE ON IOWA SCHOOL FOR THE DEAF. The board was presented a report concerning matters at the Iowa School for the Deaf from the Regents' Committee on the Iowa School for the Deaf.

The Board of Regents established a special committee in July to review policies and practices at the Iowa School for the Deaf. Specifically, the committee reviewed the evaluation of the institution (done in January of 1978) and investigated certain allegations made through publication of a recent magazine article in the Des Moines Sunday Register of July 23.

The report presented the board chronologically summarized actions taken by the Iowa School for the Deaf in response to the evaluation recommendations early this year. Among the actions taken by the school were:

- 1) Employment of a curriculum coordinator to insure that a comprehensive school-wide curriculum was developed and followed.
- 2) Active recruitment of deaf persons to become dormitory supervisors and faculty at the school.
- 3) Initiation of an in-service training program for the dormitory staff to develop good communications skills with the deaf. The school reported that it has a communication philosophy that utilizes both the oral and signing methods, termed "total communication."
- 4) Raising of the educational requirements and compensation of the dormitory staff. The institution has moved to insure that all staff, teachers and counselors are adequately trained in sign language.
- 5) The school has recognized the need to emphasize the vocational education aspect of the school. A vocational building addition was requested two years ago to expand and improve this program.
- 6) Plans for expansion of the work study and cooperative education programs.
- 7) A vocational rehabilitation counselor has been hired and closer relationships with the state rehabilitation center are being established.
- 8) Several of the dormitories are either being refurbished or soon will be. An architectural firm is now conducting a study of the boys' dormitories to determine what can be done to improve them.
- 9) The school has scheduled a parent/infant education program to serve the parents of deaf infants and the first program was scheduled to be held in August cooperatively with the State Department of Public Instruction and the Area 13 Education Agency.
- 10) A special effort has been made to include the parents in the educational decisions regarding their children.

- 11) Closer cooperation with other state agencies and the area education agencies is being implemented through development of a state-wide agreement with the area education agencies, the special schools of the Board of Regents, and the State Department of Public Instruction. Also, the Iowa School for the Deaf's administration has initiated efforts to cooperate directly with other agencies providing services to the deaf.

The report indicated that the committee began its work with an all-day meeting in which the superintendent and all but one of the principals of the Iowa School for the Deaf were interviewed at length regarding the areas covered by the committee's investigation. A series of seven regional meetings with parents and students and follow-up meetings with the superintendent and the principals were then set up. Conversations with the executive director of Deaf Services of Iowa were also pursued. It was agreed that meetings would be held with additional persons, as needed, to carry out the committee's investigations in a thorough manner.

Regional meetings (Ottumwa, Sac City, Davenport, Council Bluffs, Des Moines, Waterloo, and Cedar Rapids) included graduates of the school, as well as other interested persons and some representatives of the media. The meetings were productive in getting responses from parents and students regarding their concerns, specifically with regard to some of the allegations that had been made.

As a result of the regional meetings, the committee listed findings and recommendations for implementation by the Iowa School for the Deaf. Items detailed in the report included censorship of correspondence, cooperation with other agencies serving the deaf, student abuse, educational quality, parental involvement in children's education, health services, dormitory improvement, discipline policy, multi-handicapped students, assistance to the board in oversight of the Iowa School for the Deaf, and students' suspension.

President Petersen expressed deep appreciation to Regents Barber and Harris for the time they spent in attending the regional meetings with her. She added that the Regents deeply appreciated the opportunity to become acquainted with so many of the parents and students and others who are interested and involved with the Iowa School for the Deaf.

Regent Brownlee, speaking for the board, extended sincere appreciation to the members of the Regents' Committee on Iowa School for the Deaf as well as to Iowa School for the Deaf staff for the lengthy and arduous task which was performed. Regent Brownlee interpreted the committee's report as "a ringing endorsement" of Superintendent Giangreco's job at the school. He said the report answered all the questions that were raised and also exhibited Superintendent Giangreco's competence in the work being done at Iowa School for the Deaf. President Petersen joined Regent Brownlee in thanking Superintendent Giangreco.

President Petersen reported that the committee will continue to operate for the next few months in that there are still a number of recommendations made by the committee that need to be reported back to the board.

Regent Petersen solicited board members' comments pertaining to the committee's recommendations. Regent Bailey stated that while he agreed wholeheartedly with the need and desirability for cooperation with other state agencies and the area education agencies, he did not feel that "cooperation" should mean "giving in" on what the board feels is professionally right and correct. He emphasized his feeling that the board has as much or more background than any other agency in the state regarding handicapped persons. Therefore, the board should not minimize its professional and technical skills in that area. Regent Harris commented that Regent Bailey's remarks were also mentioned by Iowa School for the Deaf children's parents. President Petersen noted, however, that some members of the board felt otherwise than Regent Bailey.

MOTION:

Dr. Harris moved the board accept the report concerning matters at the Iowa School for the Deaf from the Regents' Committee on the Iowa School for the Deaf and approve the actions recommended therein for implementation by the school. Mr. Barber seconded the motion.

Superintendent DeMott noted that a recommendation in the committee's report made reference to governance at the Iowa Braille and Sight Saving School and proposed that \$4,000 be requested in the 1979-1981 budget of the Board Office to employ consultants in deaf education and in education of the visually-impaired on the advisory committees for the two special schools and, as needed, to provide professional advice to the board or its staff. Superintendent DeMott recommended the board not include such action in the motion above and suggested that such action occur under another docket item to be discussed on this month's agenda entitled "Recommended Appointments to the Advisory Committees to the Iowa School for the Deaf and the Iowa Braille and Sight Saving School." President Petersen responded by encouraging discussion of the matter now, as it was part of the committee's report. She also noted that such action needed to be taken prior to the board's budget discussion.

Superintendent DeMott reiterated his concern regarding the Board Office recommendation on employment of consultants by stating: 1) such action would, potentially, introduce a direct line relationship between the institution and the Board Office whether or not such person functions for the special schools, 2) such a consultant may be in a "super-superintendent" position in terms of advising both the board and the special schools on administrative activities, and 3) such a consultant position may impose another level of governance that could cause some serious problems.

President Petersen noted that Superintendent DeMott's concerns were legitimate and that the committee itself wrestled with the conceptual kind of arrangement such consultant work would promote. The committee's view, however, was that such employment would not be interfering with the board's delegation of authority to the respective superintendents.

President Petersen commented that the board's universities often depend on input of other persons (peers) around the country. In the same light, the special schools could benefit from such consultation. That explained the

committee's recommendation for consultants in deaf and visually-impaired education as opposed to someone at the Board Office level.

President Petersen asked Superintendent Giangreco if he has strong feelings one way or the other regarding the consultant recommendation for Iowa School for the Deaf. Superintendent Giangreco responded he had no such feelings.

In further discussion of the employment of consultants, Regent Bailey noted that he felt the employment of consultants would result in a strictly advisory role to the board and the institutions. Superintendent DeMott said that while he concurred with Regent Bailey's interpretation of what the consultants should be, he feared the potential for consultants being in an "expert" capacity. President Petersen negated Superintendent DeMott's concerns by stating that employment of such consultants, if approved, would not result in another layer of authority but consultation would be jointly undertaken between consultants and institutions.

Superintendent Giangreco reported that the Iowa School for the Deaf has been through a very trying and traumatic summer. Through it all, the faculty has taken on a new commitment toward their work. He noted that the school is offering Monday evening sign language classes through the Council Bluffs School System. On Tuesdays, Wednesdays and Thursdays, sign language courses are offered for houseparents and others as well. Sign language courses have also been set up in Grinnell and Des Moines.

Superintendent Giangreco reported that the first meetings of the Iowa School for the Deaf advisory committees of parents of deaf children and of deaf persons around the state went well.

Superintendent Giangreco indicated that parents of Iowa School for the Deaf students were delighted that three Regents took time to hear their concerns and communicate with them regarding their children. He added that he has received much positive feedback from the parents about the Regents. Superintendent Giangreco also expressed appreciation to the Board Office and Regents' staff who took a lot of time to work with the Iowa School for the Deaf this summer. He assured the board that everyone in Council Bluffs has cooperated and will do everything to implement the recommendations in the committee's report.

President Petersen called board members' attention to several pieces of correspondence addressing various issues pertaining to the Iowa School for the Deaf. Correspondence from Mr. Steven Brown, Executive Director, Iowa Civil Liberties Union, was particularly called to board members' attention. Mr. Brown raised concern about mail practices at the Iowa School for the Deaf. President Petersen commented that she did have an opportunity to respond to Mr. Brown relaying to him the board's recommendations on mail procedures at the school.

President Petersen noted that she will be visiting the Iowa School for the Deaf on Thursday, September 28, to make herself available for the school's staff and faculty to ask questions.

Regent Bailey noted the Iowa School for the Deaf is promoting more sign language classes and he asked about the availability of qualified instructors. Superintendent Giangreco reported that Iowa Western Community College has four excellent instructors who teach the classes.

President Petersen then turned board members' attention to a proposed agreement with the Department of Public Instruction and the area education agencies. She reported that action on the motion on the floor would follow.

PROPOSED AGREEMENT WITH THE DEPARTMENT OF PUBLIC INSTRUCTION AND THE AREA EDUCATION AGENCIES. The Board Office recommended the board grant tentative approval of a proposed agreement between the board and the Department of Public Instruction and the area education agencies.

The Board Office reported that the proposed agreement is intended to provide a basis for cooperation between the various agencies serving handicapped children to assure that each child is being served by the most appropriate agency/institution and that no child "falls through the cracks" as a result of interagency rivalries.

Representatives of the board have met with the representatives from the other agencies on five occasions. At the last meeting on August 8, 1978, all parties agreed on the final wording of the agreement. The next step is for each of the three organizations involved in the drafting of this agreement to secure the approval of its constituents to the proposed agreement. It was estimated that this approval process will take some time, since the special education directors of the area education agencies need to secure the approval of the area education agency administrators, the area education agency boards of directors, and the State Board of Public Instruction. This agreement, then, was presented to the Board of Regents for tentative approval, pending ratification by the other parties involved in the agreement.

The agreement's highlights follow:

Registry

The parties to the agreement have agreed to cooperate in the development of a semiannual registry of all children being served by the various special education units in the state.

Prestaffing Activities

All special education students with hearing and visual impairments will be placed in the appropriate institution by a common process which involves all appropriate persons and assures due process. All currently enrolled students will be reviewed by an appropriate team of representatives from the various organizations to ensure that they have been properly placed. Thereafter, the agreement provides for periodic reviews of student progress.

Least Restrictive Environment

An effort will be made to place all handicapped children in the least restrictive appropriate environment consistent with the needs of the child. All parties to the agreement have agreed to establish appropriate instructional models in cooperation with the local area education agency director of special education and the surrounding local education agencies.

Related Activities

This provision provides an opportunity for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School to develop and make available resource materials and services which may not be available in the area education agencies

Due Process

A due process procedure outlined in a previous agreement between the State Board of Public Instruction and the State Board of Regents will be utilized as necessary.

Joint Sponsorship

The agreement provides the opportunity for joint sponsorship between the various agencies and organizations in various programs and activities.

The Board Office indicated that the proposed agreement would, hopefully, overcome a number of the problems that have been experienced in the past in the flow of students back and forth between various agencies and organizations. The primary beneficiary of this agreement will be the students with hearing and visual impairments.

Regent Shaw commented that possibly the agreement spelled out too much. He said he felt that tended to negate quality to a certain extent. He noted that while "spelling out" may be necessary, it made him uncomfortable as public agencies are supposed to be working toward the same goal. He noted that a lot of laws and agreements have followed as blind students have begun to be educated in public schools. He hoped that the flow of deaf students between Iowa School for the Deaf and the public schools could occur without so many rules and regulations.

Regent Shaw reported that he was not clear on what the role of the parent is with respect to handicapped children's education. He indicated that over the years the schools have never taken students without parental consent. He said it now appears as though that may not be the case. He called board members' attention to the following paragraph taken from the proposed agreement:

LEAST RESTRICTIVE ENVIRONMENT

It is agreed that all parties will actively work to place handicapped children in the least restrictive appropriate environment consistent with the needs of the child and as defined in the definition section of this agreement. This shall be determined by the participants at the multi-disciplinary staffing. Parental insistence on placement at a residential school or other circumstances which might cause a mildly impaired student to be placed in either residential school does not absolve the administrator of that school or the local AEA Director of Special Education from providing an educational program in a least restrictive environment. To accommodate such children, it is necessary for all parties to this agreement to establish appropriate instructional models in cooperation with the local AEA Director of Special Education or designee and the surrounding local education agencies. All objectives of the residential schools shall be directed toward

the return of such children to appropriate programs in their respective resident district.

Regent Shaw said he did not approve of the wording noted above due to the spelling out of the understanding that parents' wishes may not always be considered. In addition, he noted that the agreement indicated that area education agencies would appear to be required to provide education for students regardless of whether enrollment would warrant the hiring of instructors or not. He questioned whether the board should commit the area education agencies to instruct the handicapped.

Regent Shaw then commented with respect to annual reviews of students by Iowa School for the Deaf's administrative staff to the respective area education agencies. He questioned the need for annual reviews of each student as a lot of travel would be involved, due to the school's location in the state. He said he personally felt that those hours traveling could be better spent with the students by the persons directly involved with them, rather than sending a person who is not familiar with a particular student.

Superintendent Giangreco responded to Regent Shaw's concern regarding who has the final authority on the placement of a handicapped child by saying that Public Law 94-142 stated that the parent does have the final authority.

Superintendent DeMott reported that the proposed agreement was initiated because there seems to be a type of "cold war" that's taking place between residential and day school programs. The agreement attempts to bridge that by cooperatively working with all involved segments of education for the handicapped. He emphasized that the agreement is not an attempt to negate cooperative working relationships or hinder quality of education.

Superintendent DeMott commented with respect to the concern Regent Shaw had about travel time. He said this matter was discussed by all parties involved and how strictly the annual review schedule is adhered to will depend on the individual children involved.

Superintendent DeMott then responded to Superintendent Giangreco's interpretation of Public Law 94-142 by stating that parents have an option in terms of selecting a place for their handicapped youngster(s). Initially, parents have input in that process, but the decision has to be an informed one. He noted that part of the staffing process is to get information to parents and all persons involved as to what options are available. Superintendent DeMott indicated that if the best interest of the child overrides parental preference, the best interest of the child will be carried forward. He added that if the parents have strong feelings opposing what others feel is in the best interest of their child(ren), an appeal process can be followed.

MOTION:

Mr. Slife moved the board tentatively approve a proposed agreement between the Board of Regents, the Department of Public Instruction, and the area education agencies as presented the board. Dr. Harris seconded the motion.

September 21-22, 1978

President Petersen commented with respect to the matter of travel time noted by Regent Shaw and Superintendent DeMott. She said that both Iowa School for the Deaf and Iowa Braille and Sight Saving School have outreach programs throughout the state whereby students are consulted. She said that the proposed reviews at the respective area education agencies would not cause a sudden change in travel policies currently going on at the institutions. It would, instead, be a continuation of the outreach support service process to better serve students and their families. She noted that there are presently staff whose responsibility revolves around traveling around the state and said any concern about taking persons away from their otherwise administrative duties should be alleviated.

Regent Wenstrand said he felt the proposed agreement was a step in the right direction as a mechanism is needed to counterbalance the inertia which seems to be causing the agencies involved to disagree on education for the handicapped child. He said such an agreement tends to be a moral commitment for a good working relationship among the agencies involved. Regent Harris added that while time may show that changes in the agreement are necessary, a beginning point would be attained by the approval of the proposed agreement.

Regent Bailey noted that while he had no qualms with the concept of the agreement he was concerned about a comment made by the Board Office by way of memorandum regarding least restrictive environment. The Board Office had indicated that to accomplish an appropriate environment for a given child, all parties to the agreement agreed to establish appropriate instructional models in cooperation with the local area education director of special education and the surrounding local education agencies. Regent Bailey asked if that statement meant that the area education director would be making the decisions as to the educational program at the Iowa School for the Deaf. In response, Mr. Richey said the area education directors could influence, to some degree, the educational program in that it gives them the placement authority confidence that the school is operating its programs in such a way that the student is getting the advantages of the residential school as well as some of the advantages of being in the local community.

VOTE ON MOTION:

The motion passed unanimously.

Mr. Richey indicated that the agreement will come back to the board for formal action after it has been acted on by the Department of Public Instruction and the area education agencies.

PROCEDURES FOR STUDENT DISCIPLINE AT THE SPECIAL SCHOOLS. The Board Office recommended the board approve procedures for student discipline as proposed by the special schools in conjunction with the Board Office.

As background, the Board Office reported that within the last two years the United States Supreme Court has issued a series of cases which hold that public school students cannot be denied their right to an education without due process of law. Furthermore, the court has indicated that school board members and administrators who willfully violate clear constitutional rights may be held personally liable in a suit for damages brought by the students. During that same period, the Department of Health, Education and Welfare promulgated regulations for the education of special education students under the Vocational Rehabilitation Act of 1973 and the Education of

All Handicapped Children Act of 1975 (Public Law 94-142) which, among other things, provides for a procedure for the placement of handicapped children to insure the most appropriate public education in the least restrictive environment and prohibits the expulsion of special education students as a substitute for these placement procedures.

Last month, the Department of Public Instruction ratified the decision of Dr. Robert Benton, state superintendent (Governor's designee as hearing officer for placement appeals and other appeals for special education matters), who concluded that Iowa state law prohibits the expulsion of special education students, i.e., their total separation from educational programs.

The Board Office stated that in an attempt to comply with federal law and to coordinate board policies with Department of Public Instruction's policies, an extensive examination of the disciplinary procedures at the special schools was conducted which resulted in the complete overhauling and development of updated procedures for the discipline of those students. Upon board approval, the procedures would be expected to be followed by faculties and administrators whenever any substantial disciplinary action is taken. The procedures provide for an informal expedited procedure for minor violations but require notice to the parents or guardians and an opportunity to participate at all stages and gives the student an opportunity to respond in an informal hearing.

Discipline for minor violations is limited to a reprimand, counseling, and more closely supervised "on campus" participation in educational programs. The superintendent may also, for not more than ten calendar days, place the student on probation or impose an "in school" suspension or withhold participation in sporting and social events or develop another form of constructive discipline. The board would be informed of these actions at the end of each semester.

Deeper Regental involvement becomes necessary as offenses become more serious and where the disciplinary response could be prolonged or result in separation from campus. There is a provision for an immediate but temporary suspension under emergency conditions or when the situation warrants. A student has the right to a board review of his/her case with ultimate recourse to the courts. The thrust of these procedures is to encourage a constructive response to inappropriate student behavior, so that the process of discipline is part and parcel of the process of educating that student and is designed to develop that person's sense of self worth. The procedures were not designed to be purely punitive.

The procedures were developed with the help and cooperation of representative of the faculties, houseparents, students, parents, and full and complete consultation with the administrations at both the Iowa School for the Deaf and the Iowa Braille and Sight Saving School. Following implementation of these procedures, it is anticipated that a detailed explanation will be offered to the faculties and other affected employees at each school. Also, both schools are in the process of developing or revising substantive rules of student conduct as a part of updated student handbooks. Such handbooks are expected to be ready by the end of this year.

Regent Wenstrand asked what "minor" violations involve. He also inquired as to how the procedures would change the role of the individual classroom teachers.

Mr. Richey responded to Regent Wenstrand by stating that the word "minor" was put in the disciplinary procedures as proposed per his insistence. The original procedures stated "any" violation and Mr. Richey didn't feel that "any violation" of the criminal code by a student off the campus of the school would necessarily mean the student would be subject to disciplinary procedures. The word "minor," therefore, was inserted with the understanding that a reasonable interpretation of same would be made.

MOTION:

Mr. Slife moved the board approve the proposed procedures for student discipline for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School as recommended. Mr. Wenstrand seconded the motion and it passed unanimously.

REPORT OF REGENTS' COMMITTEE ON IOWA SCHOOL FOR THE DEAF (continued). Action pertaining to the Iowa School for the Deaf's report was then transacted.

VOTE ON MOTION:

The motion passed unanimously.

RECOMMENDED APPOINTMENTS TO THE ADVISORY COMMITTEES TO THE IOWA SCHOOL FOR THE DEAF AND THE IOWA BRAILLE AND SIGHT SAVING SCHOOL. The Board Office recommended the board approve the appointees listed below for membership on the advisory committees for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School and the Regents' committee's proposal to add a consultant to each of the two advisory committees.

The Board Office reported that at the July board meeting, the board approved the establishment of advisory committees to the Iowa School for the Deaf and the Iowa Braille and Sight Saving School. As approved by the board, the committees were to be composed of two representatives from each of the three Regents' universities, the superintendent, and a Board Office representative.

Iowa School for the Deaf Advisory Committee

Kenneth L. Moll, Associate Dean of the Faculties, University of Iowa
Austin Mueller, Director, Training and Educational Services, University
Hospital School, University of Iowa
Virgil S. Lagomarcino, Dean, College of Education, Iowa State University
Elaine F. McNally, Assistant Professor, Secondary Education, Iowa State University
Dale Nitzschke, Dean, College of Education, University of Northern Iowa
Marion R. Thompson, Head, Department of Special Education, University of
Northern Iowa
Robert J. Barak, Board Office
C. Joseph Giangreco, Superintendent, Iowa School for the Deaf

Iowa Braille and Sight Saving School Advisory Committee

Kenneth L. Moll, Associate Dean of the Faculties, University of Iowa
Alan Frank, Associate Professor and Chair, Division of Special Education,
University of Iowa
Virgil S. Lagomarcino, Dean, College of Education, Iowa State University
Elaine F. McNally, Assistant Professor, Secondary Education, Iowa State University

Dale Nitzschke, Dean, College of Education, University of Northern Iowa
Marion R. Thompson, Head, Department of Special Education, University of
Northern Iowa
Robert J. Barak, Board Office
Richard C. DeMott, Superintendent, Iowa Braille and Sight Saving School

In addition to the persons listed above, the Regents' committee recommended that an additional person be added to each advisory committee to provide professional advice regarding deaf education and the education of the visually-impaired. Discussion pertaining to this item is found under the minutes item previously discussed entitled, "Report of Regents' Committee on Iowa School for the Deaf." These individuals would serve as additional members of the advisory committee and would provide for special consultation to the board upon its request. These consultants will be selected by the board upon the recommendation of the Board Office following appropriate consultation.

MOTION:

Mr. Bailey moved the board approve the advisory committee memberships for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School as shown above as well as the proposal to add a consultant to each of the two advisory committees as recommended above. Dr. Harris seconded the motion and it passed unanimously.

LONG-RANGE PLANNING REPORT. Discussion and action pertaining to the long-range planning report was deferred.

INTRODUCTIONS. President Petersen introduced Mr. Larry Purdue of the State Comptroller's Office and Mr. Ethan Towne of the Legislative Fiscal Bureau to the board who were present for discussion. President Petersen expressed appreciation to the gentlemen for attending the Regents' meeting and for their support of Regental operations.

OPERATING BUDGET REQUEST FOR 1979-1981. The board was presented an outline of the operating budget components for 1979-1981:

A. Goals and Program Descriptions

The budgeting concept throughout state government for 1979-1981 is based on program analysis.

B. State Comptroller's Base and Program Analysis

In July, the board approved budget request increases for 1979-1980 to cover merit salary increases, annualization, FICA, IPERS and inflation for nonpersonnel items. Programs in the amounts of these increases were identified by the institutions and analyzed with respect to goals and programs of each organizational unit. Additional program needs will be set forth with analysis for the October 5th board meeting, following budget decisions today.

C. Budget Request Summary

- D. Salaries
- E. Fuel and Purchased Electricity
- F. Supplies and Services
- G. Equipment
- H. Library Books
- I. Building Repairs
- J. Enrollment Increase Costs
- K. Essential Program Adjustments (including continuing education)

President Petersen noted that President Boyd was chairman of the Budget Preparation Committee for 1979-1981. President Boyd indicated that over the years the budgeting process has become more complicated but the basic ideas are always the same from year to year. He expressed appreciation with the State Comptroller's Office concerning the method of budget preparation, the decision packages, and the respect it has for the base budget of the institutions.

A. Goals and Program Descriptions. The Board Office recommended the board approve the statement of the functions and duties of the Board of Regents and the goal and program description statements.

The Governor's budget for 1977-1979 contained a statement of the functions and duties of the Board of Regents and goals and program descriptions for each organizational unit under the jurisdiction of the Board of Regents. Adequate time was not allowed for the board to consider these statements prior to incorporation in the Governor's budget.

The Board Office indicated that the 1979-1981 statements were updated and presented the board for consideration. The statements were edited once by the State Comptroller's Office and the institutions to provide information in limited space and to eliminate redundancy. Some further editing may be performed in the State Comptroller's Office to obtain uniform editorial format. It was noted that the State Comptroller's Office intends to provide the Board Office a preliminary final edition for final review prior to printing the Governor's budget.

It was reported that some performance goals may have to be amended to reflect the action of the board. The Board Office indicated that the stated goals appeared to be consistent with the mission statements of the universities previously approved by the board but the program statements for the two special schools may need to be revised to reflect recent board action.

Mr. Richey said that unless the board directed him otherwise, he would assist the State Comptroller's Office with any minor editorial changes that may be requested.

MOTION:

Dr. Harris moved the board approve the statement of the functions and duties of the Board of Regents and the goal and program description statements as presented the board. Mr. Slife seconded the motion.

President Petersen inquired as to whether the Agriculture and Home Economics Experiment Station of Iowa State University should have additional programming information prior to the information going on the computer model. She noted that the program description only indicated that this area includes all activities specifically organized for individual and/or project research within the various disciplines closely aligned with the general university College of Agriculture.

President Petersen also commented that Iowa School for the Deaf's goals and program descriptions appeared incomplete. She suggested further review of same. Mr. Richey stated that the Iowa School for the Deaf will develop more refined goals and procedures over the next year in terms of the reporting system which was established in July.

VOTE ON MOTION:

The motion passed unanimously.

B. State Comptroller's Base and Program Analysis. The Board Office recommended the board: 1) approve the program reductions to restore the 1978-1979 budget level for each organizational unit, and 2) tentatively approve the priorities for reinstating existing programs for preparation of supporting information for each in the State Comptroller's format.

The Board Office stated that in July the board approved the budget request for 1979-1980 for additional funds for cost of annualizing merit increases in salaries for general service staff employees which occurred during 1978-1979, merit increases in salaries for professional and scientific staff and general service staff, increases in employer contributions for FICA and IPERS, and inflationary increases for nonpersonnel items. These increases amount to \$10,774,000 including some corrections. As stated in July, it is the amount of \$10,774,000 which is to be displaced on a program-by-program basis for each organizational unit to restore the 1978-1979 budget level, which is to constitute the State Comptroller's base for both 1979-1980 and 1980-1981. It was that portion of current activity that was to be analyzed for reinstatement to the board's budget.

Prior to discussing the programs to be considered for reinstatement, the program budget process was outlined concerning the State Comptroller's budget base for 1979-1980 and 1980-1981, analysis of programs displaced, State Comptroller's base adjustment for 1980-1981, and additional needs.

The Board Office reported that the total displaced programs amount to about 3.2% of the 1978-1979 budget of \$332,091,000. The institutions have displaced .8% of the funding from instruction, 3.5% of the research funds from the research program, and 14.2% from public service. The Board Office indicated this seemed reasonable when it is considered that instruction is the primary function and, therefore, the current level of instructional activity should be maintained insofar as possible. Closely allied to instruction is research in that the responsibility of the universities is to instruct students at all levels of instruction particularly at advanced

levels regarding appropriate ways to solve complex problems in an effective and orderly way. The lowest priority, relatively, of the three primary functions is public service. Much public service relates to unique qualifications of university employees. The percentage of displaced programs of a supporting role in the general university and the special schools range from 2.2% to 4.3%, and the priority in the order of most urgently needed appears to be institutional support, plant operation and maintenance, student service, academic support, and scholarships and fellowships.

It was reported that of the programs in the hospital units, professional services in health science education programs have been displaced in the amount of 5.5%. The University of Iowa is analyzing displaced programs in terms of its need to maintain patient referrals and a budget that will support debt service and reserve fund requirements for the hospital revenue bonds as well as maintaining county indigent quota allocations. Even though a major reason for existence of the University Hospitals is to provide an instructional environment, the institution has found it necessary for financial operations to displace programs involving 162 residents, but it places very high priority on restoring these programs.

The Board Office commented that the institutions expended a considerable amount of effort in analyzing the displaced programs and will continue that effort in preparing the information in the State Comptroller's format. Mr. Richey said he felt the institutional priorities were appropriate with regard to displacement of funds from the various programs and with regard to reinstatement of specific programs.

MOTION:

Dr. Harris moved the board: 1) approve the program reductions to restore the 1978-1979 budget level for each organizational unit as proposed, and 2) tentatively approve the priorities for reinstating existing programs for preparation of supporting information for each in the State Comptroller's format as recommended. Mr. Brownlee seconded the motion and it passed unanimously.

C. Budget Request Summary, The Board Office recommended that budget adjustments for merit salary increases for the Regents' Merit System and professional and scientific staff and inflationary costs of nonpersonnel items be requested in the amounts of \$10,772,000 for 1979-1980 and \$11,699,000 for 1980-1981; that catch-up and essential program adjustments in the amounts of \$11,349,000 and \$7,151,000 be requested for 1979-1980 and 1980-1981, respectively; and that an increase of \$250,000 to the budget base for the Board of Regents for Continuing Education - Bachelor of Liberal Studies be requested for reallocation to the universities to provide a budget base of \$350,000 in 1979-1980.

The budget requests were based on the amounts listed as follows:

GENERAL
September 21-22, 1978

	Adjustments to Maintain 1978-79 Program in <u>1979-80</u> (1)	Catch-up & Essential Adjustments (2)	Adjustments to Maintain 1979-80 Program <u>in 1980-81</u> (3)	Catch-up & Essential Adjustments (4)
Starting Base	<u>\$332,091</u>		<u>\$354,212</u>	
Additions:				
Fac. & Inst. Off.Sal.	\$ 713	\$ 231	\$ 672	\$ -
Prof. & Sci. Staff Salaries	1,959	105	2,033	-
Gen. Service Staff Salaries	2,434	88	2,445	-
Fuel & Purch. Elec.	1,638	226	1,843	-
Supplies & Svcs.	3,202	1,144	3,588	1,144
Eqpt.	191	1,670	339	1,515
Library Books	423	-	479	-
Bldg. Repairs	212	1,009	300	1,316
Essential Program Adj.	-	5,169	-	2,727
Enrollment Incr. Costs	-	1,707	-	449
Subtotal - Addit'ns	<u>\$ 10,772</u>	<u>\$ 11,349</u>	<u>\$ 11,699</u>	<u>\$ 7,151</u>
TOTAL		<u>\$354,212</u>		<u>\$373,062</u>

To Board of Regents¹

Continuing Education-
Bachelor of Liberal
Studies²

\$250,000

\$250,000

¹ Base includes \$67,000 held in reserve at ISD and IBSSS for health insurance premium reallocation.

² Institutional budget bases include \$100,000; request provides a budget level of \$350,000 for 1979-80 and 1980-81.

The Board Office compared the action taken by the board recommended at this time to that taken at the July meeting of the board. The July figures were reported to have been revised only with respect to the salary figures in order to correct institutional calculations of the FICA and IPERS employer contributions for 1979-1980. Similar adjustments were calculated for 1980-1981 as additions on the basis of the same inflationary components as for 1979-1980 and the applicable information for the increased funds for the salary categories for the same purposes.

The institutions submitted requests for additional funds to catch up to current inflationary levels over the past few years in areas of critical need, to provide funds for newly expanded programs as essential program adjustments, and to provide funds to meet costs of increased enrollment.

The budget request recommended by the Board Office in the amounts of \$354,212,000 and \$373,062,000 for 1979-1980 and 1980-1981, respectively, consists of the starting base plus the additions for each respective year. The budget of \$332,091,000 for 1978-1979 constitutes the starting base for

1979-1980 and the budget request for 1979-1980 of \$354,212,000 carries forward as the starting base for 1980-1981. The institutional budget requests amount to \$362,328,000 for 1979-1980 and \$382,556,000 for 1980-1981.

Each expenditure component of the budget request was discussed in material presented the board with information provided on the institutional request and the Board Office recommendation. The following two tables summarize that information:

<u>Expenditure Budget Item</u>	<u>1979-80 Keep-up</u>	<u>1980-81 Keep-up</u>
Fac. & Inst. Officials' Salaries	FICA & IPERS	FICA & IPERS
Prof. & Scien. Staff Salaries	FICA, IPERS, 3% Merit	FICA, IPERS, 3% Merit
Gen. Svce. Staff Salaries	FICA, IPERS, Annual., Merit	FICA, IPERS, Annual., Merit
Fuel & Purch. Elect.	11%	11%
Supplies & Svces.	7%	7%
Equipment	7%	7%
Library Books	10%	10%
Building Repairs	7%	7%

COMPARISON OF BOARD OFFICE RECOMMENDATIONS AND INSTITUTIONAL BUDGET REQUEST FOR CATCH-UP/PROGRAM ADJUSTMENTS
(000's omitted)

<u>Expenditure Budget Item</u>	<u>Institutional Request</u>		<u>Board Office Recommendations</u>	
	<u>1979-80</u>	<u>1980-81</u>	<u>1979-80</u>	<u>1980-81</u>
Faculty & Inst. Officials' Salaries	-	-	-	-
Prof. & Scient. Staff Salaries	-	-	-	-
Gen. Service Staff Salaries	-	-	-	-
Fuel & Purchased Electricity	-	-	-	-
Supplies & Services	5%	-	2.5%	2.5%
Equipment	50% of Budget Formula at Full Deficit	Budget at Full Formula	50% of Budget Formula at Full Deficit	Budget at Full Formula
Library Books	3%	-	-	-
Building Repairs	1/3 of Formula Deficit	2/3 of Formula Deficit	1/3 of Formula Deficit	2/3 of Formula Deficit
Essential Program Adjustments (\$000's)	\$11,899	\$ 5,311	\$ 5,169	\$ 2,727
Enrollment Increase Costs (\$000's)	\$ 1,707*	\$ 449**	\$ 1,707*	\$ 449**

* 1976-77 base for enrollment, unit cost and tuition income; 1979-80 tuition income increase & 1978-79 appropriations deducted.

**1976-77 base for enrollment, unit cost and tuition income; 1980-81 tuition income increase deducted.

The Board Office reported that institutional income estimates need to be accurate inasmuch as they are deducted from the budget to establish the appropriation level. Underbudgeting causes an increase in the appropriation request; overbudgeting reduces the appropriation request, and if the estimated institutional income is not realized, the support for the budget is reduced by the amount of the inaccuracy. The institutions have estimated institutional income at the 1978-1979 budget level throughout the 1979-1980 and 1980-1981 period. Income from student fees will need to be revised as tuition rates are established. "Other income" includes reimbursed indirect costs which are largely derived from projects for the federal government. It was stressed that these statements of estimated "other income" should not be increased without providing a budget request on the expenditure side; otherwise, the institution will not be able to provide the indirect services appropriate to the grants or contracts.

Mr. Richey orally reviewed the budget requests as presented above. He noted that the first three salary recommendations of the Board Office were listed to maintain growth of Social Security rates, retirement, and various other unavoidable costs plus merit increases. Fuel and purchased electricity shows an 11% increase in inflation based on the data received by the Board Office. Supplies and services (formerly called general expense) was recommended at the expected rate of inflation at 7%. The State Comptroller's guidelines recommended 5% for supplies and services; however, Board Office analysis indicated the 5% recommended was quite conservative and 7% is also quite conservative. The Board Office estimated a range of 7% to 9% in inflation of the items that are within this budget category.

Mr. Richey reported that the \$191,000 recommended for equipment adjustment to maintain the 1978-1979 program in 1979-1980 represents a price inflation anticipated of 7%. That amount does not take care of the present "gross inadequacy" of the institutional equipment budgets, however. Library books money recommended does not expand the current rate of acquisition. A 10% growth was recommended with price expectations in mind. Mr. Richey noted that the library recommendation was quite conservative.

Building repairs (formerly RR&A) recommendation represented a 7% increase. That increase does nothing to improve that budget category and the serious deterioration of building upkeep that now exists at the Regents' institutions.

Mr. Richey explained that the fuel and purchased electricity item is an adjustment for the University of Northern Iowa's fuel budget which is currently inadequate. Referring to the second column in the Board Office recommendation, Mr. Richey said that another 2.5% growth for supplies and services was recommended. The 7% in the first column would maintain only the existing base of purchasing power. The 2.5% is to offset erosion of that budget over the past several years.

Mr. Richey reported that the equipment recommendation of \$1,670,000 was to partially apply the formula based on the ten-year life of equipment, with one-half of the budget coming from general funds and one-half coming from other funds of the institutions (capital and restricted funds). For the second year of the biennium, full formula would be requested.

Mr. Richey indicated that the Board Office did not recommend additional funds beyond the 10% for library books and noted that was different from the institutional request. He went on to say that the \$1,009,000 recommended for building repairs by the Board Office coincided with the institutional request which would begin having the university and general institutional budgets on the life-of-building formula which involves 100-year life with two major renovations to take place during the life of same provided equally by operating budget financing and capital. Mr. Richey said this would be the first step of a three-year program to bring that budget to the life-of-building formula. The second step would take place in 1980-1981 and the third step is anticipated to complete the process in 1981-1982.

Mr. Richey recommended the board approve the amount of \$1,700,000 for the opening of new buildings, program improvement, and other unavoidable increases in costs that cannot be handled within the base budgets.

Mr. Richey commented that enrollment growth costs were based on enrollment growth since the 1976-1977 school year less what has been funded since that time. Mr. Richey called board members' attention to the \$1,700,000 of tuition income deducted and added that the \$1,120,000 allocated to Iowa State as part of the base adjustment partly for enrollment increases prior to 1976-1977 was deducted without his knowledge. He reviewed that aspect with the board with the understanding that not all of the \$1,120,000 should be deducted.

Mr. Richey noted that the budget request for the first year of the biennium amounts to \$354,212,000 including the enrollment increase cost. The \$354,212,000 would be financed by \$234,179,000 in appropriations. Mr. Richey stated that the \$234,179,000 represented an 8% increase of \$17,961,000 in appropriations over 1978-1979. That 8% increase did not include any funds for general salary increases, however, which Mr. Richey said will be requested later.

Mr. Richey stated that the programs recommended for 1980-1981 continue the programs regarding inflationary adjustment to the equipment formula, building repairs, etc., plus a modest amount for special needs including the University Hospital and that requires a budget of \$373 million which is an increase over 1979-1980 of \$18,800,000. He noted that his recommendation involved approximately a \$15 million a year growth in appropriations for the second year of the biennium, indicating a 6% growth over the first year of the biennial recommendation.

Mr. Richey indicated that the recommended increase in appropriations amounts to approximately \$18 million the first year of the biennial request and \$14,640,000 the second. He added that the 1% increase in salary represents an appropriation increase of \$2.2 million. A 1% growth in general expense (now supplies and services) represents \$320,000 in appropriations.

President Petersen noted that all budget request decisions would be subject to final approval at the October 5th meeting.

D. Salaries of Faculty Members of the University of Iowa and Iowa State University. The Board Office recommended the board accept the report on faculty salaries for the University of Iowa and Iowa State University with the understanding that the information will be used by the board to develop

GENERAL

September 21-22, 1978

a recommendation to the Governor and the General Assembly at the appropriate time in the budgetary process.

The Board Office indicated that the Board of Regents and the administrations of the University of Iowa and Iowa State University have stated that they wish to maintain their leadership in the development of salary policy for the faculties of the University of Iowa and Iowa State University. Mr. Richey commented that the question arose at the board's July meeting as to the timetable for making such recommendations to the Governor and to the General Assembly. Mr. Richey said that while he has been unable to complete the consultations with the appropriate personnel in the executive branch to determine that timetable, preliminary indications are that the board and both universities' administrations will be given opportunity to make such recommendations before the Governor submits his recommendations on state salary policy to the General Assembly. Mr. Richey said he understands that those recommendations will not be made to the General Assembly until after the collective bargaining process has been completed. The deadline for completion of collective bargaining is March 15, 1978. Therefore, the Board of Regents would probably be able to meet shortly after March 15, 1978, and develop its recommendations to the Governor and to the General Assembly. The Governor has always given the board the opportunity for both public and private consultation on important issues and it is highly unlikely that his procedures would change on this most important issue.

Both universities submitted information on the status of salaries for their faculties as compared with those of counterpart institutions in the 11-state area. The long-standing goals of the administrations of those two institutions have been to attain the third place position in the 11-state area and that goal is still held by those two institutions. The amount required to attain the third rank for the University is \$2,363,000 and for Iowa State University it is \$2,723,000. The total of \$5,086,000 would be required to bring the salaries of those faculties to third place at 1978-1979 levels.

The Board Office reiterated that the board has made it clear that it considers the faculty of its institutions to be the single most important component if they are to have educational programs of high quality.

President Boyd strongly emphasized that the amounts requested by the universities to maintain their third-place rank regarding faculty salaries were catch-up figures and not keep-up figures.

President Petersen commented that the board would be happy to recognize any institutional faculty who wished to speak to the matter of faculty salaries. Professor Dorsey Ellis, President of the Faculty Senate, State University of Iowa, then rose to speak. He said it is extremely important that by timing the salary requests of the University of Iowa and Iowa State University in the fashion proposed that the appearance is not given that the universities are not participating in the salary process. He noted that while he understood the process being proposed, he said the appearance of that action, however, might be misleading to others. President Petersen then reiterated the board's feeling that it considers the faculties of its institutions to be the single most important component, or the heart of the institutions, having the highest priority of all priorities. She said that that attitude of the board toward its faculties has not changed.

Regent Bailey noted that he was reluctant to achieve "third place" again in comparison to other states in the 11-state area due to the fact that when teachers resign and replacements are hired, salaries are now so low that to recruit capable faculty, much more money is necessary in order to attract teachers with the same caliber. President Boyd concurred with Regent Bailey's philosophy but added that Iowa State and the University of Iowa are among the very few universities in the United States that still make individual salary adjustments with support of the faculty on a merit basis.

President Parks noted that the position of third place among the 11-state area was reasonable and provided the board background as to how third place was recommended for the two universities.

In absence of objections, President Petersen accepted the report on faculty salaries for the University of Iowa and Iowa State University with the understanding that the information will be used by the board to develop a recommendation to the Governor and the General Assembly at the appropriate time in the budgetary process for the board.

President Petersen noted that the "appropriate time" noted above will probably be in mid-March.

E. Fuel and Purchased Electricity. The Board Office recommended the board take the following actions:

- a) That the reallocation procedure for fuel and purchased electricity for 1978-1979 be as follows:
 - 1) Budget deficits to be covered by surpluses in the fuel and purchased electricity accounts of other institutions prorated on the basis of amounts of surplus;
 - 2) Remaining surpluses to be retained by each institution for investment in energy conservation measures.
- b) That budget adjustments of 11% per year be provided in the State Comptroller's base for 1979-1980 and as adjustment for inflation for 1980-1981 (budget request for opening new buildings is included with the essential program adjustments).
- c) That a special adjustment to the budget base for 1980-1981 for fuel and purchased electricity in the amount of \$226,000 be provided for the University of Northern Iowa to eliminate deficit conditions.
- d) That the "pass through" policy be retained.
- e) That surpluses in the fuel and purchased electricity budget at the end of the fiscal year be allowed to carry over into the following fiscal year to improve efficiency in the use of the funds.

The Board Office presented the board information relating to the following matters: 1) revisions of policy for reallocating budget surplus, 2) relationship to a separate request for capital improvements for energy conservation; 3) actual 1977-1978 expenditures; 4) the budget request for 1979-1980 and 1980-1981.

Pertaining to the budget surplus reallocation policy, the Board Office provided the following background relating to the recommendations noted above:

- a) This "sharing of risk" would exist during the 1978-1979 fiscal year and the 1979-1981 biennium. As the national energy situation stabilizes, it is expected that savings will be sufficient that it will no longer be necessary to cover deficits in the 1981-1983 biennium.

This additional incentive of retaining surpluses within each institution is needed as institutional funds are committed to improve facilities for energy conservation which require a longer period for pay back of the investment by the savings generated thereby. It was recognized that an institution which expects early during the fiscal year that a deficit condition is probable may lose some motivation and, consequently, extra efforts by such an institution will be needed to clearly demonstrate dedication to a conservation program.

- b) The request to carry over surplus funds in the fuel and purchased electricity account to the succeeding year is to obtain greater fund utilization efficiency. It is difficult to establish the amount of surplus even as late as June 1, because weather conditions can cause a large deviation from the budget for air conditioning during June.
- c) It is believed that the budgets are aligned equitably at this time providing a special adjustment is provided in the budget for 1979-1980 for the University of Northern Iowa.
- d) It is important to continue to obtain the inflationary cost increases on the 1978-1979 budget for future years in order that budget surpluses or a portion thereof are available for energy conservation measures.
- e) If the budget for fuel and purchased electricity continues to reflect inflation and opening new buildings, the need to retain the "pass through" policy becomes less important and may be phased out in the future. For the present, however, "pass through" policy might be needed in the event of an unexpected system-wide deficit.
- f) The State Comptroller's budget base is to include inflationary costs of operations during 1979-1980. Considering the "pass through" policy, it is appropriate to include all these costs in the base to avoid the confusion of portions of these costs in decision packages.

Mr. Richey recommended adoption of the interinstitutional proposal with one exception pertaining to the unrestricted use of budget surpluses. He recommended that surpluses in the fuel and purchased electricity account be used for further facilities improvement to conserve energy.

The Board Office indicated that the institutional proposal should be easy to administer in that it does not involve measurement of energy consumption of the various types but considers only overall price inflation relative to the 1978-1979 budget. It provides incentive for each institution to improve purchasing of fuel, power plant efficiency, and energy conservation. It was recognized that such surpluses need to be carried forward into the following year in order to efficiently use surpluses.

Mr. Richey presented the board the following information pertaining to actual 1977-1978 surpluses as compared to estimated surpluses:

	Net Appropriations Surpluses (Deficits)		Incr. (Decr.) in Surplus
	Actual	Estimated (6/78)	
SUI	\$795,048*	\$633,633	\$161,415
ISU	9,600	28,577	(18,977)
UNI	(14,907)	(100,708)	85,801
ISD	43,374	44,802	(1,428)
IBSSS	4,137	4,850	(713)
Total	<u>\$837,252</u>	<u>\$611,154</u>	<u>\$226,098</u>

* Includes a refund of \$618,000.

Mr. Richey stated that actual expenditures may differ from estimates due to variations in amount of air conditioning needed in June and adjustments for inventory value at year end. The increase surplus of \$226,098 amounts to 1.8% of total expenditures. The largest of the \$226,098 increase in surplus from estimate has occurred at the University of Iowa with an increase in savings of \$204,415 offset by a reduction in the refund of \$43,000. The University of Northern Iowa reduced its deficit of \$85,801 to a deficit of only \$14,907.

Mr. Richey reported that unless the board directed him otherwise, the additional surplus indicated above will be considered at the end of 1978-1979 when reallocation of surpluses and deficits for 1978-1979 are considered.

The Board Office recommended an 11% increase per year for fuel and purchased electricity for 1979-1980 and 1980-1981. This recommendation supported the institutional requests. The University of Northern Iowa requested a special adjustment of \$226,000 because of an anticipated deficit in 1978-1979. The figures have been recalculated with a revised use factor for Speech/Arts Building opening. The results indicate a deficit of \$226,000 on the basis of this calculation. Mr. Richey recommended reduction of the \$252,000 request to \$226,000 and coverage by reallocation in the event that a deficit does occur.

The Board Office presented the following chart including the essential program adjustments for fuel and purchased electricity budget additions for new buildings and facilities:

GENERAL
September 21-22, 1978

		<u>1979-80</u>	<u>1980-81</u>
University of Iowa			
General University	Lindquist Center - Phase II	\$110,400	
	Cardiovascular Research Center	11,068	\$ 11,068
	King Parasitology Lab	1,380	
	Curricular Lab (Raze)	(5,842)	
	Cline Bldg. (Raze)		(15,136)
University Hospitals	Roy J. Carver Pavilion - Phase B		115,200
Iowa State University			
General University	Music Bldg.		\$ 59,020
	Horticulture Addition		33,700
	Chemical Waste Hdlg.		4,500
University of No. Iowa	Boiler Plant #2	\$ 86,000	\$ 46,000

In summary, the Board Office recommended a budget request for fuel and purchased electricity which includes a requested commitment by the executive and legislative branches to budgets adjusted for price increases and new buildings, an 11% per year increase in funding to cover price inflation plus a \$226,000 adjustment for the University of Northern Iowa, use of savings for energy conservation measures only, authorization to carry forward surplus in fuel and purchased electricity accounts, retention of the "pass through" policy and reallocation of budget surpluses only for the purpose of covering fuel and purchased electricity budget deficits.

President Kamerick and Vice President Stansbury inquired as to whether the Board Office recommendation referred to the covering of budget deficits for one year or both years of the biennium. Mr. Richey reported the recommendation referred to action on an annual basis during the biennium.

Regent Brownlee inquired as to whether the "pass through" policy will be phased out eventually. Mr. Richey stated that the Board Office does not want to phase out the "pass through" policy for at least a decade because it wants the board to be protected against unusual circumstances, including deficits. He stated that the General Assembly considered the 1978-1979 budget as adjusted for the University of Northern Iowa as the base budget for years to come in terms of determining budgets for fuel and purchased electricity. He went on to say that that budget would then be adjusted when additional buildings are put into operation. The proposal would "plow back" savings (budget surpluses) in the fuel and purchased electricity account to improve facilities for further energy conservation. Commitments by the executive and legislative branches of state government are needed with regard to operating budget adjustments for inflation and opening new buildings and carry forward the surpluses for the proposed facilities program to be workable. Mr. Richey commented that when bonds are retired for energy conservation projects, the institutions would have annual savings of \$4 million to \$5 million in today's dollars for allocation through improvement of the program.

Regent Bailey inquired as to whether each of the universities were satisfied with the "pass through" proposal as recommended. A representative from each university indicated there was interinstitutional approval for the "pass through" concept.

Regent Shaw raised comments pertaining to the Board Office's statement that as the national energy situation stabilizes, it is expected that savings will be sufficient that it will no longer be necessary to cover deficits in the 1981-1983 biennium. He said he was not as optimistic as the Board Office appeared to be in that area. He suggested the board request direct appropriations for fuel and purchased electricity needs and if there is money left over, that should then be reverted back to the state. Regent Shaw explained that savings in a particular year will depend not only on how much you conserve but also how cold or how hot it was. He stressed that the board should not be calculating need for fuel and purchased electricity taking those kinds of chances.

In response to Regent Shaw, Mr. Richey said that the \$8 million figure was to get the energy conservation program started and if the university would "plow" savings back to the state through the line-itemed appropriation approach, the \$8 million would become \$20 million. He said, however, that the state is not able to obligate itself to committing \$20 million for energy conservation to the state's institutions. Since there is a pay back through savings perhaps the board could get the capital advancement for energy conservation projects through the academic revenue bonding capacity and the state would then, generally, be free to use its current revenue through appropriations for the rest of the state that does not have the bonding capability of the universities.

Regent Shaw said the state most likely would not be able to spend an entire sum of \$20 million for energy conservation measures. He commented that the energy savings ought to be great enough to pay tuition replacement and bonding money. Mr. Richey responded to Regent Shaw by stating that his alternative would work only if the legislature gave the board authority to invest academic revenue bonds for the purpose of energy conservation with line-item appropriations for fuel and purchased electricity with the provision that any unused funds would revert back to the State Treasury. Likewise, if funds are not sufficient, the state would add to those funds and pay the additional amount necessary and guarantee the tuition replacement appropriations to finance the debt service on those bonds just as it has for other academic revenue bonds. Mr. Richey said the Board Office and institutions will look into that method of financing. He said a revised proposal could require bonding, line-item appropriations for fuel and purchased electricity, staying with "pass through" and guaranteed reversion of savings.

Vice President Stansbury said that some may feel that the universities are not conserving energy as they should. To refute that, he stated that the University of Northern Iowa has reduced its per million BTUs per day per gross square foot by 72% since 1973. He added, in fact, that last year (1977-1978) the university used less energy than in 1972-1973 disregarding the fact that the university has new facilities in operation.

MOTION:

Mr. Barber moved the board approve the actions recommended above shown as a) through e). Dr. Harris seconded the motion and it passed unanimously.

F. Budget Request for Supplies and Services for 1979-1981. The Board Office recommended the budget request include a 2.5% per year increase to partially catch up to cost growth during the past three biennia in addition to 7% per year for cost growth estimated for 1979-1980 and 1980-1981.

The Board Office recommended an increase in funding for supplies and services of 7% per year for inflation and an additional 5% phased at 2.5% per year to catch up due to funding below rates of inflation during recent years. It was noted that the Board Office recommendation agreed with the institutional request except for the 2.5% per year phased to catch up rather than 5% in 1979-1980.

Supplies and services was recognized as one of the objects of expenditure for which additional funding was critically needed. The biennial request for 1977-1979 pointed out that, despite the appropriations level for this expenditure item, it did not take into account the tremendous increase in prices of services and materials for which the funds are expended. Consequently, supplies and services has a substantial catch up to bring it into line with the price growth over the past several years. The 2.8% increase in appropriations for 1978-1979 is expected to fall short of expected inflation by about 4%.

Vice President Jennings said he felt the proposal made by the Board Office with respect to supplies and services was reasonable. He emphasized, however, that the 7% increase per year for cost growth is probably two or three percentage points below anticipated inflation. Mr. Richey noted that the Board Office recommendation for supplies and services for 1979-1981 totalled 9.5% whereas the State Comptroller suggested a 5% increase per year.

It was noted that the institutional recommendation for supplies and services was originally 12% for the first year of the biennium. Mr. Richey said that the area of supplies and services definitely has been hurt financially over the last four to five years by cuts of 12 to 18%. He added, however, that the same kind of cuts have occurred in the equipment and buildings repairs areas. In fact, cuts have been pervasive throughout all the board's institutions.

MOTION:

Mr. Brownlee moved the board's budget request include a 2.5% per year increase to partially catch up to cost growth during the past three biennia in addition to 7% per year for cost growth estimated for 1979-1980 and 1980-1981. Mr. Wenstrand seconded the motion. The motion passed unanimously.

The board meeting was then recessed. President Boyd noted that members of the board, institutional executives, Representative Horn, Larry Purdue (State Comptroller's Office), and Ethan Towne (Legislative Fiscal Bureau) were invited to join the Faculty Council of the University of Iowa for lunch.

G. Equipment Budget Request. The Board Office recommended the board authorize a budget request for equipment for 1979-1981 at full formula based on ten-year depreciation to be phased in over the biennium with the request for the Iowa Braille and Sight Saving School to be based on inflation of 7% per year. The recommendation would add \$1,861,000 for 1979-1980 and an additional \$1,854,000 for 1980-1981.

The Board Office explained that modern equipment is essential in many technical and scientific fields to provide adequate instructional programs. Rapid improvement of equipment in recent years and early obsolescence has caused a serious problem for the universities. As a consequence, a significant increase in equipment funding is needed to overcome the deficiencies.

During recent years, budget requests for equipment have been based on a formula which uses a ten-year average life of equipment. The replacement rate of 10% per year of inventory value would be funded 50% from general funds and 50% from restricted and capital funds. Board members recalled that it based its request on a similar formula for the current biennium, but it was not funded.

The Board Office recommended the following budget request also be based on the formula identified above in thousands of dollars:

	Actual 1976-77*	Budget 1978-79	Bd. Office Recom.	
			1979-80	1980-81
University of Iowa				
General University	\$1,328	\$ 897	\$1,734	\$2,570
University Hospital	551	569	758	947
Psychiatric Hospital	24	21	41	61
State Hygienic Laboratory	20	27	38	48
Hospital School	20	13	17	20
Oakdale Campus	36	40	46	52
Subtotal	<u>\$1,979</u>	<u>\$1,567</u>	<u>\$2,634</u>	<u>\$3,698</u>
Iowa State University				
General University	\$ 585	\$ 661	\$1,360	\$2,058
Experiment Station	163	205	242	278
Cooperative Extension	70	28	30	32
Subtotal	<u>\$ 818</u>	<u>\$ 894</u>	<u>\$1,632</u>	<u>\$2,368</u>
University of Northern Iowa	\$ 428	\$ 351	\$ 399	\$ 446
Iowa School for the Deaf	152	39	44	48
Iowa Braille & Sight Saving School	29	42	45	48
TOTAL	<u>\$3,406</u>	<u>\$2,893</u>	<u>\$4,754</u>	<u>\$6,608</u>
Total Increase			<u>\$1,861</u>	<u>\$1,854</u>

* Actual for 1977-78 is unavailable at this time for all organizational units.

The Board Office indicated that, according to the formula used above and proposed phase-in procedure, all organizational units are below formula except for the Iowa Braille and Sight Saving School. Iowa Braille and Sight Saving School is budgeted for 1978-1979 at \$42,000, as compared with a formula amount of \$28,000. However, that school has been operating its automobiles approximately twice as long as the state policy and has a need to purchase two buses during the next three years at a total cost of between \$50,000 and \$60,000. Consequently, it was recommended that the budget request for the Iowa Braille and Sight Saving School be based on the 7% per year inflation factor over its 1978-1979 budget.

According to the formula, the largest needs are at the general university levels at both the University of Iowa and Iowa State University, where the 1978-1979 budgets are 35% and 32%, respectively, of the formula amount. The University of Northern Iowa general university, 1978-1979, is at 79% of the formula amount. For all organizational units, the current budget for 1978-1979 of \$2,893,000 needs to be increased to a full formula level of \$6,608,000 in 1980-1981 and phased in according to the proposal at \$4,754,000 in 1979-1980.

The increases recommended amounted to the following (000s omitted):

	Increases for Gen. Universities over 1978-79 Budget		Additional Funds Avail- able for the Biennium
	1979-80	1980-81	
SUI	\$837	\$1,673	\$2,510
ISU	699	1,397	2,096
UNI	48	95	143

Note was made of a separate memorandum in this month's docket on essential program adjustments recommending that equipment requests included therein be deleted to avoid duplicating equipment requests and compromising the formula for the equipment budget request. However, it was reported that the equipment formula falls short of the serious need, particularly for the first year. Consequently, a request for funds was also recommended for essential program adjustments as follows:

	Additions (Deletions)	
	1979-80	1980-81
SUI - Amortization of New Computer	\$500,000	(\$500,000)
ISU - Instructional Equipment	500,000	(500,000)
UNI - Science Equipment	50,000	
Academic Computer		\$120,000

Even when the formula has been met, the Board Office indicated that the formula for equipment was understated because: 1) the inventory value is based on original cost rather than replacement cost, and 2) a formula based on equipment on hand may not reflect adequately equipment need when modernization, program revision, and enrollment shifts are considered.

The following chart was presented the board comparing the institutional and Board Office recommendation:

EQUIPMENT
 INSTITUTIONAL REQUEST AND BOARD OFFICE RECOMMENDATION
 (000's Omitted)

	Inventory Value 6/30/77	5% of Inventory Value	Budget 1978-79	Institutional Request		Board Office Recommendation	
				1978-79	1980-81	1979-80	1980-81
University of Iowa							
General University	\$ 51,400	\$ 2,570	\$ 897	\$ 1,765	\$ 2,570	\$ 1,734	\$ 2,570
University Hospital	18,930	947	569	778	947	758	947
Psychiatric Hospital	1,214	61	21	41	60	41	61
State Hygienic Laboratory	953	48	27	38	47	38	48
Hospital School	399	20	13	17	20	17	20
Oakdale Campus	1,042	52	40	48	53	46	52
Subtotal	<u>\$ 73,938</u>	<u>\$ 3,698</u>	<u>\$ 1,567</u>	<u>\$ 2,687</u>	<u>\$ 3,697</u>	<u>\$ 2,634</u>	<u>\$ 3,698</u>
Iowa State University							
General University	\$ 41,165	\$ 2,058	\$ 661	\$ 1,383	\$ 2,058	\$ 1,360	\$ 2,058
Experimental Station	5,556	278	205	242	277	242	278
Cooperative Extension	630	32	28	31	33	30	32
Subtotal	<u>\$ 47,351</u>	<u>\$ 2,368</u>	<u>\$ 894</u>	<u>\$ 1,656</u>	<u>\$ 2,368</u>	<u>\$ 1,632</u>	<u>\$ 2,368</u>
University of Northern Iowa	\$ 8,920	\$ 446	\$ 351	\$ 411	\$ 475	\$ 399	\$ 446
Iowa School for the Deaf	\$ 946	\$ 47	\$ 39	\$ 45	\$ 48	\$ 44	\$ 48
Iowa Braille & Sight Saving School	\$ 550	\$ 28	\$ 42	\$ 45	\$ 48	\$ 45	\$ 48
Total	<u>\$ _____</u>	<u>\$ 6,587</u>	<u>\$ 2,893</u>	<u>\$ 4,844</u>	<u>\$ 6,636</u>	<u>\$ 4,754</u>	<u>\$ 6,608</u>

*The Board office recommendation, with one exception, is based on full formula for 1980-81 (5% of inventory value-10-year life with one-half of expenditures funded from sources other than General Program Operations) and for 1979-80 one-half the difference between full formula and the current (1978-79) budget. The one exception is a 7% per year increase for the Iowa Braille and Sight Saving School, because of a need to purchase two buses during the next three years at a cost of \$50,000 - \$60,000.

Mr. Richey pointed out that the Board Office gave the equipment budgetary item high priority as the institutions have emphasized that equipment needs are definitely one of the highest interinstitutional priorities this biennium. He added that there is a lot of evidence that equipment now being used in instruction is actually below the level of equipment used in community high schools and the area schools. He noted that the Board Office recognized the substantial amount of money recommended in this area but emphasized that the need is crucial.

President Petersen reported that the formula used to calculate the equipment needs of the institutions seemed reasonable and if it were to be funded, should do the job for keeping the institutional budgets up to date. The only problem that the board has had formula-wise is that it has not been able "across the board" to get funding up to 50% of ten-year depreciation according to the formula. Mr. Richey added that even though the Board Office recommendation seemed large, the amount recommended was still quite conservative.

Regent Shaw commented that the board did not have a lot of success with respect to equipment funding last biennium and recommended the board buttress its request with the amount of money that other universities will spend across the country such as those in Minnesota and Wisconsin. Regent Shaw noted that while the board does not often use such an approach, it may be helpful in this case.

Regent Shaw asked for clarification pertaining to an exhibit presented the board by the University of Northern Iowa entitled Exhibit C-3 pertaining to equipment expenditures from general program operations, restricted program operations, and plant capital. He mentioned that it appeared to him that \$114,000 used in 1970-1971 for plant capital was the base to which the equipment percentage formula was applied. He noted the difference of \$114,000 actually spent in 1970-1971 in comparison to the \$609,000 spent for equipment expenditures in 1977-1978. In response, Vice President Stansbury said the percentages were figures relative to equipment inventory which amounted to 2.6% for plant capital in 1970-1971 and 6.8% for plant capital in 1977-1978.

President Parks noted that due to the severity of the equipment need as emphasized by the respective deans at the various institutional seminars, the legislature should be made more aware of those needs. To substantiate that need, President Parks said that the Iowa State University Foundation is undertaking to raise \$2 million privately to help out the equipment needs at that institution.

MOTION:

Dr. Harris moved the board authorize a budget request for equipment for 1979-1981 at full formula based on ten-year depreciation to be phased in over the biennium with the request for the Iowa Braille and Sight Saving School to be based on inflation of 7% per year. This action would add \$1,861,000 for 1979-1980 and an additional \$1,854,000 for 1980-1981. Mr. Bailey seconded the motion and it passed unanimously.

H. Budget Request for Library Books - 1979-1981. The Board Office recommended that the budget request include a 10% increase in funding for each year of the 1979-1981 biennium for library books and that an amount for catch up not be included at this time.

The institutions requested an additional 3% of funding to partially catch up with price trends of recent years. There was a considerable amount of evidence that such a request was justified. The Board Office reported, however, that the library directors have been able to maintain acquisition rates for serials and periodicals which are the library materials of greatest importance for the research program. Library holdings relate most directly to the size of graduate programs and the research related thereto. Moreover, means are being developed for providing service through improved loan and copying capability through central or regional facilities.

Mr. Richey stated that considering price indices since 1970 have averaged 10.6% (9.2% for United States hard cover books, 13.8% for periodicals, and 8.8% for serials), he recommended that a 10% factor be included for price growth during each year of the 1979-1981 biennium as requested by the institutions. Mr. Richey suggested the additional 3% recommended by the institutions not be requested for this biennium as emphasis should be directed more toward improved funding for supplies and services and equipment at this time.

President Parks indicated that Iowa State University would rather have the 3% added to the recommendation made by the Board Office to attempt to catch up with price trends of recent years because once the university gets behind, later purchases do become more expensive in retrospect. He noted that while he opposed the Board Office's recommendation for only a 10% increase, he was not going to oppose with too much vigor as he was more concerned that the university get sufficient equipment monies.

President Boyd concurred with the points made by President Parks and added that equipment needs are extremely critical and even though library needs are also very much needed, equipment takes higher priority at the University of Iowa.

MOTION:

Mr. Wenstrand moved the board's budget request include a 10% increase in funding for each year of the 1979-1981 biennium for library books and that an amount for catch up not be included at this time. Dr. Harris seconded the motion and it passed unanimously.

I. Building Repairs (Repairs, Replacements and Alterations) Budget Request for 1979-1980 and 1980-1981. The Board Office recommended the board take the following actions:

1. Reaffirm the use of the "life of building" formula for calculating the building repairs budget request for the five primary institutional units and reinitiate a three-year phase-in to bring the universities up to 40¢ a square foot and the special schools up to 34¢ at the end of the three years. This approach is based upon cost estimated at \$60 per square foot for university space and \$50 per gross square foot at the special

schools. Request a budget addition of \$1,134,000 for 1979-1980 for this purpose which would provide the universities with 23¢ a square foot and the special schools, 20¢ per square foot, and an addition of \$1,518,000 for 1980-1981 which would provide the universities with 31¢ a square foot and the special schools 27¢ a square foot. The third and final phase would occur in 1981-1982 when the universities would reach 40¢ a square foot and the special schools 34¢.

2. Continue the approach whereby an inflation factor is requested for the University Hospital units as per action taken at the July meeting to apply a 7% inflation factor to the 1978-1979 starting base to constitute the 1979-1980 request and a further 7% inflation factor to the 1979-1980 starting base to constitute the 1980-1981 request. This provides a budget addition for the hospital units of \$30,000 for 1979-1980 and an additional \$32,000 for 1980-1981.

3. Continue the initiation of a building repair base on the "life of building" approach for the Iowa State University Agriculture Experiment Station whereby the eventual goal would be to reach a building cost/replacement of \$30 per gross square foot. This goal would be phased in by requesting 15¢ per gross square foot for 1979-1980 and 20¢ per gross square foot for 1980-1981. This requires an addition of \$78,865 for 1979-1980 and \$38,620 addition for 1980-1981.

The Board Office noted that the Regents' universities and special schools maintain 12.2 million gross square feet of space from Building Repairs funds. The budget request for these units was based on a formula called the "life of building" approach. This formula base assumes a useful building life of 100 years with two complete renovations included therein. One renovation would be funded from Building Repairs funds and the other from capital funds.

The funding for building repairs during the current biennium has fallen way short of implementing the "life of building" formula. The current budget for building repairs is approximately \$21,000 below that for the prior year.

It was called to the board's attention that the institutions are not even keeping current with the funding needs in building repairs because of the lack of recognition of inflation and because the institutions are maintaining more space annually due to new buildings coming on line.

It was recognized that the "life of building" formula is relatively conservative in estimating institutional needs:

- 1) The institutions have recommended that the formula be phased in over a three-year period.
- 2) The replacement costs of \$60 and \$50 per gross square foot is probably understated by \$15 to \$20 from what actual costs will be in the next biennium.
- 3) The space being maintained from the Building Repairs funds is net of any space the institutions intended to demolish over the next ten years even though it will be necessary to expend funds, in some instances, to maintain the space until replacement space is constructed.
- 4) The building repairs base defers the addition of new space until it has been in operation for one year. As an example, the Design Center at Iowa State University is not included in the building repairs base until the 1980-1981 request even though it will be on-line a year prior to that time. This mechanism was developed, again, to demonstrate the conservative nature of the "life of building" formula.

The Board Office highlighted the institutions' extraordinary needs for greatly increased amounts of building repair funding. This information is on file at the Board Office.

Superintendent DeMott inquired as to the approach used to estimate the cost per square foot for renovations for the special schools as compared to the costs estimated for the universities. Mr. Richey said those figures were formulated based on a difference in cost of the buildings themselves. He said the buildings at the Iowa Braille and Sight Saving School, for example, are not as sophisticated as some of the buildings located on the University of Iowa's campus such as the laboratory space.

MOTION:

Mr. Bailey moved the board approve the recommended actions. Mr. Barber seconded the motion and it passed unanimously.

J. Enrollment Increase Cost for Budget Request - 1979-1981. The Board Office recommended that enrollment increase costs in the amounts of \$1,707,000 for 1979-1980 and an additional \$449,000 for 1980-1981 be included in the budget request.

The Board Office reminded members of the board that the method for calculating enrollment increase costs has been based on a determination of variable cost by excluding organized research, library books, physical plant, and equipment, in addition to the cost normally excluded from cost of instruction, such as organized activities, extension and public service, auxiliary enterprises, student aid, stores and services, plant additions, agency activities, building repairs, and indirect cost reimbursements. The 1976-1977 costs were used to determine the variable cost. The variable cost was then applied to the enrollment increase from the 1976-1977 base year to 1979-1980 and 1980-1981. The projected tuition income from the enrollment increase over the tuition income for 1976-1977

and the amount appropriated for enrollment increase costs for 1978-1979 were deducted from the additional variable cost of the enrollment increase in order to obtain a net enrollment increase cost.

The Board Office indicated that while this method maintained consistency in application of unit costs and enrollment, it was still somewhat conservative with respect to costs because cost increases over the three- to four-year period from 1976-1977 are not recognized. The tuition income increases and the appropriations realized have been deducted so that the resulting net enrollment increase costs did not introduce inconsistencies between the institutions.

The Board Office stated that the main consideration in determining an appropriate increase cost for 1979-1981 depended on the accuracy of enrollment projections. The enrollments experienced and projected were tabulated as follows:

FTE ENROLLMENTS (Fiscal Year)

	Actual <u>1976-77</u>	Actual <u>1977-78</u>	Est. <u>1978-79</u>	Est. <u>1979-80</u>	Est. <u>1980-81</u>
<u>University of Iowa</u>					
Lower Division	6,399	6,620	6,770	6,800	6,790
Upper Division	9,949	6,910	6,925	7,125	7,275
Masters	3,940	3,713	3,775	3,728	3,682
Advanced Graduate	2,095	2,138	2,200	2,100	2,090
Professional	<u>1,741</u>	<u>1,780</u>	<u>1,820</u>	<u>1,830</u>	<u>1,840</u>
Total	<u>21,124</u>	<u>21,161</u>	<u>21,490</u>	<u>21,583</u>	<u>21,677</u>
Increase in Total		37	329	93	94
<u>Iowa State University</u>					
Lower Division	9,257	9,722	9,863	9,628	9,524
Upper Division	9,202	9,363	9,589	10,043	10,163
Masters	1,905	1,707	1,618	1,812	1,838
Advanced Graduate	1,763	1,951	2,253	1,844	1,871
Professional	<u>429</u>	<u>449</u>	<u>475</u>	<u>516</u>	<u>509</u>
Total	<u>22,556</u>	<u>23,192</u>	<u>23,798</u>	<u>23,843</u>	<u>23,905</u>
Increase in Total		636	606	45	62
<u>University of No. Iowa</u>					
Lower Division	4,570	4,850	4,990	5,084	5,114
Upper Division	3,330	3,434	3,384	3,533	3,554
Masters	1,090	1,167	1,007	1,021	1,032
Advanced Graduate	<u>324</u>	<u>214</u>	<u>374</u>	<u>377</u>	<u>382</u>
Total	<u>9,314</u>	<u>9,665</u>	<u>9,755</u>	<u>10,015</u>	<u>10,082</u>
Increase in Total		351	90	260	67

Mr. Richey reported that the Board Office would have a revised recommendation for the board pertaining to enrollment increase costs at its October 5th meeting. He noted that particular attention would be paid to a disagreement in figures pertaining to Iowa State University for the second year of the biennium. President Petersen then recommended the board approve the Board Office's recommendation "in principle" at this time with further information to be brought to the board's attention in October regarding enrollment costs.

MOTION: Dr. Harris moved the board include the concept of enrollment increase costs for 1979-1980 and 1980-1981 in the budget request. Mr. Slife seconded the motion and it passed unanimously.

K. Budget Request for Essential Program Adjustments - 1979-1981. The Board Office recommended the board take the following actions:

- 1) That a request be made for appropriations for essential program adjustments in the amounts of \$4,170,000 for 1979-1980 and an additional \$1,492,000 for 1980-1981 to support budgets of \$5,169,000 for 1979-1980 and an additional \$2,727,000 for 1980-1981 for the Regents' institutions.
- 2) That \$250,000 be requested in addition to the \$100,000 in the budget bases of the universities for reallocation to the universities for expansion of the continuing education program (Bachelor of Liberal Studies).

The Board Office reported that essential program adjustments consist of new or expanded programs or efforts to improve program quality. The essential program adjustment costs consist of support to: 1) operate new or renovated buildings and facilities, 2) provide additional student financial aid needed to offset increased tuition rates, 3) obtain or maintain accreditation, 4) introduce new needed academic programs, and 5) maintain safe conditions for students, employees, etc.

Mr. Richey reported that the budget recommendation for essential program adjustments for the coming biennium was the area which experienced the largest reduction in institutional requests. The institutions requested \$11.9 million the first year of the biennium and the Board Office recommended \$5.2 million. The institutions requested \$5.3 million in the second year of the biennium and the Board Office recommended \$2.7 million.

The Board Office summarized institutional essential program adjustments for board members' information. It listed programs with considerable commonality among the institutions first, and then specific programs for each organizational unit. Topics with considerable commonality interinstitutionally were: 1) opening new buildings and facilities, 2) student financial aid, 3) equipment and computers, 4) safety programs, and 5) accreditation. This information is on file at the Board Office.

Vice President Moore commented with respect to the equipment and computers recommendations. He asked if sometimes special needs for equipment are sometimes looked upon as catch up more often than not. He noted that the Board Office recommended \$500,000 for additional equipment needed for instructional purposes for one year only with the remainder of such equipment requirements to come from the equipment formula funding. Vice President Moore

suggested that the \$500,000 be considered as a recurring expense and not have it deleted for the second year of the biennium. Iowa State University's request for additional equipment for instructional purposes totalled \$2,179,063. Vice President Moore said that since \$500,000 was so minimal in comparison to the institution's needs, \$500,000 each year of the biennium would be much more favorable to the institution than \$500,000 for just one year of the biennium.

Mr. Richey said the Board Office recommended approximately \$1.2 million for equipment the first year of the biennium in the essential needs category as well as an additional \$1.8 million to fund the formula the first year of the biennium. That adds up to approximately a \$3 million increase in the equipment budget for 1979-1980. The second year of the biennium included another \$1.8 million in the budget recommended by the Board Office and \$200,000 was recommended to retain the formula. Mr. Richey said these increases do provide very substantial increases to equipment both in the regular operating budget as well as in the special needs area. He admitted, however, that he would be the first to agree that the monies recommended for equipment by the Board Office were not adequate to meet institutional needs. President Petersen added that the board does not want to undercut the importance of the institutional equipment requests by loading the essential program adjustment request.

President Petersen then suggested the board turn its attention to the respective institutional requests for essential program adjustments. Note was made with reference to the Board Office recommendations in comparison to the institutional requests.

University of Iowa

The University of Iowa's essential program adjustments request for 1979-1980 totalled \$7,381,135 with an additional \$1,764,899 for 1980-1981. The Board Office recommendation for the University of Iowa totalled \$3,081,085 for the first year of the biennium and \$1,748,469 for the second year of the biennium.

General University

The institutional request for general university items totalled \$3,919,935 for the first year of the biennium and \$1,249,999 for the second whereas the Board Office's recommendation totalled \$1,508,485 for the first year and \$61,469 for the second of the biennium 1979-1981.

The first institutional priority was identified as student financial aid. Although no amounts were included for recommendation for student financial aid, the Board Office reported it will recommend amounts for each of the institutional general universities' funds when a decision is reached on tuition rate increases. The recommendation will be based on the amount of the tuition rate increase and the proportion of the increase covered by the increases requested for the supplies and services account in which the student financial aid is reported.

The University of Iowa placed at the top of its priority list, then, the request for \$160,000 in 1979-1980 and \$71,500 in additional funding for 1980-1981 to strengthen and make more effective the advising of undergraduate students. The Board Office recommendation included the institutional requests in full.

Vice President Brodbeck reported that the university recently received two very significant grants to start a five-year combination masters and bachelor degree program for undergraduates similar to the Master of Business Administration's five-year program. In addition, another grant has been received in the amount of approximately \$235,000 which will enable visiting faculty in the hospital and health administration program.

Vice President Brodbeck pointed out that the College of Medicine through the service plan of the hospital has been carrying a great load of faculty salary for all of the clinical departments which extends, somewhat, to the basic sciences area. She requested the board consider the university's request to cover the deficit for state appropriations for medicine and dentistry. President Petersen said that in light of the past concern of the board, the board was consistent to include the deficit in state appropriations for medicine and dentistry.

Mr. Richey inquired as to how firm the sewer use charges were for the university. It was noted that the University of Iowa has a contractual agreement with the city of Iowa City for sewer use on the basis of a rate per 100 cubic feet of water. This rate was established to charge the university the same as other users in the business and residential community. This budget request represented a mandatory cost of operations due to rate increases by the supplier. The Board Office recommended that the institutional request be funded in full and that it be incorporated in the State Comptroller's base in the documentation submitted to the State Comptroller. In response to Mr. Richey's initial inquiry, Vice President Jennings stated that costs will basically depend on when the contractors begin their work. It is expected that they will begin next spring and in that event the figures presented by the university are firm. Mr. Richey then recommended that \$100,000 be transferred from sewer usage charges out of the first year's recommendation into the medicine and dentistry area due to deficit in state appropriation and increase the amount to \$300,000. Vice President Jennings said the university felt such a transfer would be reasonable.

A professor from the College of Nursing expressed to the board the urgency to expand the college's graduate program both on and off campus. It was stressed that faculty are very much needed at the graduate level in nursing.

Regent Slife asked about the women's athletic program at the university. Vice President Jennings reported that there is a fellowship budget now allowing about \$220,000 for scholarships for the program. That scholarship money would augment the recommendation made by the institution. President Boyd noted that there is no question but that there is going to be a very dramatic change in the area of women's intercollegiate athletics due to implications of Title IX in the future.

Statewide Health Services

The institutional budget request totalled \$3,461,200 for 1979-1980 and \$514,900 for 1980-1981. The Board Office recommendation totalled \$1,572,600 for the first year of the biennium and \$1,687,000 for the second year of the biennium. These amounts include the requests for University Hospitals, Psychiatric Hospital, Hospital School, State Hygienic Laboratory, and Oakdale Campus.

The Board Office indicated that the cost of operating the Roy J. Carver Pavilion - Phase B (the institution's top priority) will amount to \$319,100,

of which \$83,400 will be supported by appropriations, and the remainder by patient income. These costs are based on salaries for an additional 8.8 positions, supplies and services of \$89,800, and fuel and purchased electricity costs of \$115,200.

The Board Office recommended that the institutional request for additional staff for the University and Psychiatric Hospitals be phased in over the biennium.

Iowa State University

Iowa State University's request for essential program adjustments for 1979-1980 totalled \$3,245,500 and \$2,179,500 for 1980-1981. The Board Office recommendation, in comparison totalled \$1,274,525 for the first year of the biennium and \$586,770 for the second year.

Mr. Richey stated that there apparently was an oversight in deducting the second year of the biennium's maintenance cost the cost of those old buildings where the Music Department is now located as well as horticulture so there will be deductibles presented the board when it makes a final decision on this matter at the October 5th meeting of the board.

President Parks stressed, again, the urgency of the equipment needs at Iowa State University. He said that the university had 17 general university essential program adjustment needs but the most important need relates to the institutional equipment situation. He indicated that the most critical equipment need is in the College of Engineering.

Mr. Richey encouraged the board to review the equipment issue at Iowa State University more thoroughly. President Petersen suggested an additional \$200,000 to \$300,000 be included in the institutional equipment request by the Board Office.

University of Northern Iowa

The University of Northern Iowa's request for essential program adjustments for 1979-1980 totalled \$1,049,000 for 1978-1980 and \$590,400 for 1980-1981. The Board Office recommended \$777,000 for 1979-1980 and \$384,700 for 1980-1981.

President Kamerick commented that he felt the Board Office recommendations were fair for the university considering that cuts have to be made, regardless of need. He also emphasized the need for equipment at the university.

Iowa School for the Deaf

The Iowa School for the Deaf requested essential program adjustments in the amount of \$131,000 for the first year of the biennium and \$41,000 for the second. The Board Office's recommendation was for \$20,000 the first year of the biennium and \$41,000 for 1980-1981.

First on the list of priorities for the Iowa School for the Deaf was the institutional recommendation for \$20,000 each year of the biennium for work-shop funds. The Board Office concurred in that institutional recommendation.

Discussion pertaining to the on-the-job training program arose. The school reported that this program would help the mature student who has some background and training in a given area. The additional work experience would strengthen that student's ability to develop good work habits and stabilize his/her feelings in a given trade or work situation. The jobs would be located to fit individual needs with upgrading of skills and knowledge considered with each student. Mr. Richey commented that the Board Office had not recommended funds for this need although the Iowa School for the Deaf recommended \$5,000 be requested for the first year of the biennium. Mr. Richey requested the institution provide the Board Office with more details regarding the program before the board makes its final decision on budgets at its October 5th meeting.

Mr. Richey stated that predictions show that enrollment at the Iowa School for the Deaf may decline slowly over the years and noted that funds may be reallocated internally for other needs.

Note was made to the unemployment insurance priority. As background, it was reported that appropriations were provided in the amount of \$36,000 for unemployment insurance when it was expected that employees not on the payroll during the summer may be eligible for unemployment. As long as the employees have assurance that they will be retained during the following fall, such employees are not eligible for unemployment insurance. Consequently, the Board Office recommended that the amount held in reserve for unemployment insurance be reduced from \$36,000 to \$10,000. Mr. Richey said the school may anticipate reallocation of those monies.

Iowa Braille and Sight Saving School

Iowa Braille and Sight Saving School's essential program adjustment requests for the biennium were: \$55,000 for 1979-1981 and \$37,000 for 1981-1982. The Board Office recommendation differed in that since funds have been appropriated for the school for unemployment insurance reserve which is no longer needed in the full amount, a reduction of \$19,000 in that category was recommended. As a consequence of that reduction, the Board Office's recommendation for the first year of the biennium equalled a minus amount of \$4,000. The second year of the biennium's recommendation by the Board Office totalled \$6,000.

Mr. Richey noted that the board may be interested in placing \$4,000 into the extended school year priority of the institution. The institution requested \$20,000 the first year and \$10,000 the second year of the biennium whereas the initial Board Office recommendation included no funds for the forthcoming biennium. Mr. Richey said a revised recommendation will appear before the board on this matter in October.

Superintendent DeMott stressed the importance of the school's deaf-blind program and noted that the Board Office recommendation did not include funds for same. Mr. Richey suggested the school provide the Board Office with more detailed information pertaining to the program regarding funding, staffing, etc. by October 5 so the board could deliberate further on this item.

MOTION:

Mr. Slife moved the board tentatively approve the essential program adjustments for the 1979-1981 biennium as presented by the Board Office with the suggested changes as indicated above. Mr. Brownlee seconded the motion and it passed unanimously.

President Petersen noted that changes from the Board Office recommendations pertaining to essential program adjustments specifically related to: 1) a \$300,000 adjustment in state appropriations for medicine and dentistry at the State University of Iowa, 2) a deduction of \$100,000 for sewer use charges at the State University of Iowa, 3) reconsideration of equipment needs as the no. 1 priority need at Iowa State University, 4) reconsideration of \$5,000 for on-the-job training at Iowa School for the Deaf, 5) consideration is to be given to adding \$4,000 for the extended school year at the Iowa Braille and Sight Saving School, and 6) reconsideration of the deaf-blind program at the Iowa Braille and Sight Saving School.

TUITION POLICIES AND RATES FOR 1979-1981. The Board Office recommended the board approve the tuition rates as proposed below for the 1979-1981 biennium and that these rates be effective July 1, 1979:

	<u>1977-1979</u>	<u>1979-1981</u>
<u>University of Iowa</u>		
Resident Students		
Undergraduate	\$ 750	\$ 830
Graduate	858	950
Medicine	1,320	1,460
Dentistry	1,130	1,250
Law	858	950
Non-Resident Students		
Undergraduate	1,710	1,890
Graduate	1,818	2,000
Medicine	2,970	3,284
Dentistry	2,510	2,760
Law	1,892	2,094
<u>Iowa State University</u>		
Resident Students		
Undergraduate	\$ 735	\$ 816
Graduate	858	942
Veterinary Medicine	1,128	1,248
Non-Resident Students		
Undergraduate	1,701	1,881
Graduate	1,818	2,001
Veterinary Medicine	2,388	2,643
<u>University of Northern Iowa</u>		
Resident Students		
Undergraduate	\$ 694	\$ 774
Graduate	726	818
Non-Resident Students		
Undergraduate	1,320	1,460
Graduate	1,518	1,680

The Board Office noted that there has been great debate over the last several years about whether the student or society should bear the cost of educating the student. Those who argue that the student is the greater beneficiary of education argue for full or a fuller burden on the student; this group favors a high tuition policy (student bears 50% of cost). Those who argue that society is the greater beneficiary argue for a low tuition policy (student bears 25% to 30% of cost). Still another group falls somewhere in between and advocate a one-third burden on the student. The Carnegie Commission has taken the latter position.

Concern about the rise in tuition rates has manifested itself in attempts to offset the impact of the increases, but not the increase itself, by arranging a variety of alternative loan programs by institutions themselves, by tuition plans whereby the student is guaranteed a tuition rate for the duration of the college years, and by various proposals for greater federal participation in loan programs such as National Loan Banks, none of which have yet come to fruition. This concern has resulted in congressional discussion for the last two sessions of the possibility of a tuition tax credit for families of college students. This session, both houses have passed such legislation.

It was indicated that when the board set the present tuition rates, a general assumption was made that inflation would approximate 12% to 13% over the period of the 1977-1979 biennium. Therefore, the board increased most tuition rates by 10% at the beginning of the 1977-1979 biennium. This increase yielded the same income that would have been generated had the 1976-1977 tuition been increased by 6.5% each year of the biennium. Inflation for the 1977-1978 fiscal year was about 6.5%, and it was projected that this rate will continue into the 1978-1979 fiscal year. The 10% tuition increase that the board approved for the current biennium will almost exactly match general inflation in consumer prices.

The Board Office reported that over the time period of 1967 through 1977 the per capita income in the state of Iowa has increased 130%. During this same time, undergraduate resident tuition at Regents' universities has increased by approximately 102% to 120% depending on the institution. Therefore, increases in the per capita income have been slightly greater than increases in tuition.

Regents' tuition levels were compared with national tuition levels. It was indicated that a recent report by the College Scholarship Service of the College Board has estimated that the average tuition for four-year public institutions for the 1978-1979 school year will be \$651 for resident undergraduates and \$997 for nonresident undergraduates. This projected \$651 average tuition is \$100 less than current resident undergraduate tuition rates at Regents' institution. Consequently, current tuition rates are above the national average.

Resident undergraduate tuition rates are currently about 25% of undergraduate student costs of instruction. This percentage has fluctuated somewhat during the past ten years, primarily because of the major tuition increase in 1969. Rates were not increased again until 1975 and the percentage of tuition to cost declined during the interval. During the past four years, the percentage stabilized.

It was reported that Regents' institutions compare favorably with similar institutions in the 11-state area. Regents institutions are now slightly below the median in undergraduate resident tuitions for comparable institutions. The board's tuitions for students in medicine, dentistry, and veterinary medicine are near the bottom of tuitions in the 11-state area.

The recommended tuition and fee rates for resident and nonresident students were based on an increase of \$80 for undergraduate students and \$180 for nonresident undergraduates. The proposed rates for other categories of students were consistent with the percentage increases in basic rates. The flat dollar increases were recommended in basic rates to avoid a further spread in dollar differentials at the three institutions. It was mentioned that the composite unit costs (general fund) per undergraduate student were quite similar in 1976-1977. This factor would argue for comparable dollar increases in tuitions for undergraduates.

The Board Office reported that the percentage rate of increase varied between institutions because existing rates are different. The recommended increases at the University of Iowa were about 10.7% while they were about 11% at Iowa State University and 11.5% at the University of Northern Iowa.

Board members were reminded that the total tuition and fees are levied for a variety of educational purposes. They are divided into two basic categories, university general funds and non-general funds. The general funds support the programs of the universities in the same way as state appropriations (in fact, they are deducted to arrive at needed appropriations). The non-general fund portion consists of a variety of special purposes. They can be broadly categorized as debt service fees for buildings, student activity fees, and miscellaneous. It was noted that the activity fees for one institution may include items that are carried in the general fund portion of fees for one of the other institutions.

The Board Office recognized that students recognize the effects of inflation and need for improvement of programs that are financed from non-general fund activity fees that they are responsible for administering. Consequently, they want a share of any increase in fees to go to the activities they administer. Mr. Richey recommended that an amount of the proposed increases be set aside at this time for possible allocation to "allocatable student fees" after the legislature and Governor have acted on the Regents' budget recommendations. The proposed "set aside" for possible increases in activity fees was based on approximately the same percentage growth as the growth in total tuition and fee rates. Consequently, "student activities" would receive its fair share, unless the budget finally approved by the legislature would be such that the funds are needed for general educational purposes.

The Board Office noted that the proposed rates for the university general funds are as follows:

	<u>PRESENT</u>		<u>PROPOSED</u>	
	<u>Resident</u>	<u>Non-Resident</u>	<u>Resident</u>	<u>Non-Resident</u>
University of Iowa	\$684.90	\$1,644.90	\$762.25	\$1,822.25
Iowa State University	645.00	1,611.00	719.40	1,784.40
University of Northern Iowa	636.00	1,262.00	714.50	1,400.50

The Board Office indicated that increases in tuition rates require commensurate growth in student aid financed from the general fund if present rates of accessibility of the institutions to students are to be maintained. The general fund budgets of the institutions for student aid for 1978-1979 were presented the board for information. The amount of increase in general expense attributable to student aid in 1979-1980 was also presented for information.

The Board Office stated that its recommendations were made with the board's policy of moderate to low tuition in mind. They were proposed to be in effect for two years (the 1979-1981 biennium) to give some stability to this portion of the cost of attending college by Regents' students. The board will be fixing the rates about nine months before the time they go into effect. Thus, students will have time to plan and to prepare for them. Student activities financed from fees and tuitions were recognized and the need for increased student aid was provided.

President Petersen noted that several students were present to discuss the tuition proposal before the board. The following students were introduced to the board who wished to speak to this issue: Mr. Donn Stanley, President, University of Iowa Student Senate; Mr. John Frew, Vice President, University of Iowa Student Senate; Mr. Niel Ritchie, President, University of Iowa Collegiate Association Council; Mr. Fred Schuster, President, Iowa State University Student Body; O. J. King, former University of Northern Iowa Student Association President; and Ms. Angel Naber, President, University of Northern Iowa Student Association.

Mr. Stanley commented that he felt the board should adopt more moderate tuition increases than what were being proposed by the Board Office. He stated that this was the third biennium in a row in which a tuition increase has been proposed. He noted that he felt it was not only the students' responsibility to meet inflation, but society's responsibility as well. He stressed that middle income families are paying more of the inflationary burden than other families are. In conclusion, Mr. Stanley said that if tuition rates continued to increase, a lot of students would be priced right out of the higher educational market. He reiterated that a more moderate increase in tuition would be more favorable to the students at the University of Iowa.

Mr. Frew asked for clarification as to why the Board Office recommended a disparity in tuition increases among the three universities. He specifically referred to in and out-of-state tuition for graduate students at the State University of Iowa and Iowa State University. Mr. Richey then corrected an error in the green memorandum prepared by the Board Office and noted that the \$942 figure recommended for 1979-1981 for graduate students at Iowa State University be revised to be comparable to the \$950 at the State University of Iowa and divisible by three. The Board Office proposal was then revised to recommend \$951 for Iowa State University resident graduate students.

Mr. Frew commented that he did not feel that the Board Office recommendation pertaining to tuition fairly considered inflation with respect to its relationship to the total cost of instruction. He said the board must not forget other costs students must pay in addition to tuition costs. As an example, Mr. Frew noted that room and board costs have increased by 5.7% the past three years for a standard double room. Those rates have been determined by two factors: 1) occupancy level and 2) inflation. Over the past three years, the university has experienced a dormitory occupancy overflow situation. Mr. Frew went on to say that whether the university had a parietal rule or

not for the next few years, he felt that occupancy levels would continue to exceed capacity. As another example of increasing costs, Mr. Frew noted the effects of inflation pertaining to books and supplies.

Mr. Frew suggested the board request more funds for students' educational needs from the legislature instead of more from students.

Mr. Ritchie stated that it has been roughly estimated by some that between one-third and one-half of all higher education students receive some sort of financial aid. He noted that roughly 20% of the University of Iowa's total enrollment consists of nonresident students. He commented that while an explanation had been provided pertaining to the board's commitment to "state" students, the Board Office recommendation did not address out-of-state students who are crucial to achieve a proper cultural mix. Mr. Ritchie suggested the board increase the tuition rate for nonresident students and commented that such an increase would most likely result in a higher caliber of nonresident students.

Mr. Ritchie commented that students realize the realities of inflation but added that the only monetary area in which students have input pertaining to maintaining a particular cost level is in the area of tuition. He stated, therefore, that students at the university were against such an increase as proposed by the Board Office.

Mr. Schuster reiterated comments made by Mr. Frew in that the cost of books is exceedingly high for students to pay. He said that it is not uncommon for a student to spend over \$100 a quarter buying books and supplies.

Mr. Schuster commented that the Board Office recommendation increased the student aid program by \$157,500 at Iowa State University. Using last year's figure on the number of students on student aid at that university, 3,870 were noted. When the amount of \$157,500 is divided by that figure, considering that more students will be enrolling at Iowa State next year, the aid per student will average \$13.32 a quarter. Mr. Schuster stated that works out to less than one-half of a proposed increase in tuition that will be going into effect. The students are still going to have to make up the other half.

Mr. Schuster emphasized that tuition must be kept at the lowest possible level to provide accessibility to students. He called board members' attention to an observation that student fees have risen 10% more than inflation has. If the board adopts an 11% increase in tuition for Iowa State University, assuming a 7% inflation rate for the next year, the university would be 14 percentage points ahead of inflation. In conclusion, he said he felt the board could cut back on increasing the tuition rates and "still maintain a hedge on inflation."

Mr. King began his remarks by stating that some people do not correlate inflation to tuition increases. He asked if inflation increases prices or whether prices increase inflation. Mr. King presented the board figures from the Consumer Price Index which showed that tuition increases have exceeded inflationary increase since 1965. He went on to say, however, that tuition can not be solely accepted as a cost determinant. He said the board needed to look at student aid as it affects overall costs as well as tuition.

Mr. King questioned the comparisons in tuition with the 11-state area and claimed that if Iowa's universities were compared to other institutions, they would not be in the lower tuition bracket. Mr. King also pointed out that personal income in Iowa has increased at a negative five-tenths of a percent. Coupled with rising tuition rates, education becomes even harder to attain at the higher education level.

Mr. King claimed that students would not accept an increase in tuition unless the following needs were met: 1) student aid increased to fund the present level of unmet need, 2) effective cost cutting and efficiency methods are initiated and 1% is cut from the cost of the increase proposed minus the inflationary impact, and 3) an educational policy for the state of Iowa is established.

Ms. Naber reported that students at the University of Iowa and the University of Northern Iowa are subjected to parietal rules. She noted that meant that students at those universities have no choice but to pay for increased tuition rates when they occur. They can not opt to live elsewhere than in the dormitory system.

Ms. Naber noted that the Board Office memorandum indicated that the Board Office recommended an increase in student activity fees for University of Northern Iowa for undergraduate students. She stressed the fact that a higher level of financial aid is necessary as students are "being hit from all angles." She noted that the students were not involved whatsoever in establishing a proposed increase for student activity fees. She urged board members to allow students to become more involved, if they wish, in budgeting matters.

Regent Shaw said he felt the board may endanger its entire budgetary request to the legislature if it said that the taxpayer should bear an increasing percentage of the cost of education in view of the difficult times we are now in with respect to rising inflationary costs. He added that if the board would endanger its budgetary request, it would impact quality of education at the institutions.

Regent Shaw indicated that almost all private institutions change their tuition rates every year in comparison to changing tuition biennially. Secondly, he noted that, so long as the state and nation is in an "inflationary spiral," rates need to be adjusted annually rather than waiting for a longer time and then increasing the rates even more dramatically.

President Boyd noted that he feels that the "number one levy" against any tuition increase should be in terms of student aid. Generally speaking, President Boyd said the University of Iowa's student body has felt that student aid should take precedence over any other allocation. President Boyd admitted that the board needed to adequately consider the student aid situation at this particular point.

Mr. Frew said the board needed to consider two factors when it studies the student aid matter: 1) those presently on aid and 2) those who will be eligible for aid. Mr. Frew said the board should also consider that many times students over the age of 22 and those in graduate and professional schools are not eligible for a lot of the available aid.

Mr. Richey responded to Regent Shaw's suggestion to increase tuition rates yearly rather than biennially. He said that if rates would be adjusted yearly the end result would be higher tuition than if tuition would be adjusted biennially.

A recommendation was then made by one of the students recommending the board move that a 1% reduction in the proposed tuition rate be approved. In response, Regent Bailey said he did not feel that students wanted their educational quality cut and that by not fully recognizing the monetary needs, a 1% cut in the proposal could, in effect, reduce the quality of education now provided by the institutions.

President Petersen said she was just informed by Mr. Richey that the Board Office had not completed its study pertaining to the student aid computer model and that additional information pertaining to that matter will be presented to the board at the October 5th meeting.

MOTION:

Mr. Barber moved the board approve the tuition rates as proposed for the 1979-1981 biennium to be effective July 1, 1979, including the corrected graduate resident tuition rate for Iowa State University, with the understanding that the student aid portion of the proposal will be reviewed and discussed at the board's October 5th meeting. Proposals and recommendations pertaining to student aid should be submitted to the Board Office prior to that time. Mr. Wenstrand seconded the motion.

Regent Shaw reiterated his proposal to have the board set tuition rate increases on a yearly basis rather than biyearly. He said he felt that an annual increase would be easier for the legislature to deal with than the biennial increase the board has been following.

Regent Bailey said he felt there should be student input on Regent Shaw's suggestion for yearly tuition evaluations. He noted that he has felt that biennial tuition recommendations were to the advantage of students because they would be able to expect a certain increase in a given year. Regent Bailey reported, however, that if students would prefer the annual approach over the biennial approach, the board should consider that.

Regent Shaw clarified his recommendation for annual tuition rate reviews by stating he felt the board should set specific rates for each year of the biennium rather than setting it in conjunction one with the other.

Regent Harris noted that the students indicated a desire to work together with the Board Office and institutional representatives pertaining to rate increases and student aid. He recommended that students be informed of these considerations well in advance of the board meeting time so that sufficient input from that group can be gained.

VOTE ON MOTION:

The motion passed unanimously.

MOTION: Dr. Harris moved the board request that student leaders become involved in the process of planning additional tuition adjustments. Mr. Wenstrand seconded the motion.

Mr. Richey suggested that institutional administrators meet with a select group of students prior to making any future recommendations pertaining to tuition. Regent Harris noted that his motion inferred that involvement by students in the appropriations process would be a learning process for them.

President Boyd said he did not perceive the recommendation now before the board to be interpreted as one of promoting uniformity interinstitutionally pertaining to tuition rates. He also encouraged student input on the tuition matters but said he did not foresee the recommendation to indicate a major change in the procedure of how the institutions relate to the Board Office. Mr. Richey noted that President Boyd's interpretation was correct.

VOTE ON MOTION: The motion passed unanimously.

OPERATING BUDGET REQUEST FOR 1979-1981 (continued). K. Budget Request for Essential Program Adjustments - 1979-1981. Mr. Richey noted that the board had not yet acted on the action recommended by the Board Office that \$250,000 be requested in addition to the \$100,000 in the budget bases of the universities for reallocation to the universities for expansion of the continuing education program (Bachelor of Liberal Studies).

The interinstitutional committee working on the budget requested an addition of \$400,000 for a total budget for continuing education of \$500,000.

MOTION: Dr. Harris moved the board request \$250,000 in addition to the \$100,000 in the budget bases of the universities for reallocation to the universities for expansion of the continuing education program (Bachelor of Liberal Studies). Mr. Bailey seconded the motion and it passed unanimously.

EXECUTIVE SESSION. President Petersen reported that the board needed to discuss strategy in regard to collective bargaining in executive session. On roll call vote the following voted:

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

NAY: None.

ABSENT: Belin.

The board, having voted by at least a two-thirds majority, resolved to meet in executive session beginning at 4:50 p.m. and arose therefrom at 5:50 p.m.

The following business pertaining to general or miscellaneous items was transacted on Friday, September 22, 1978.

CAPITAL IMPROVEMENT REQUEST FOR 1979-1981. The Board Office provided the board with the following tentative recommendations for purposes of discussion:

- 1) Hear presentations by institutions on their capital request lists totalling \$59,981,680 for the 1979-1981 biennium.
- 2) Discuss tentative Board Office recommendations on inclusions and exclusions from the capital askings of the board. Probable inclusions (Category A) totalled \$43,640,000 and probable exclusions (Category B) totalled \$15,435,000. Projects recommended to be dropped from further consideration at this time (Category C) totalled \$908,000.
- 3) Consider funding of the capital program including consideration that approximately \$30 million might be funded appropriately from academic revenue bond authority, with the remainder of the capital program coming from direct capital appropriations. The \$30 million program possibly funded by bonding includes utility projects, the Library Addition Phase I at Iowa State University and first phase of the Law, Communications, and Performing Arts project at the University of Iowa.

The Board Office indicated that the board's institutions presented a capital request for 1979-1981 totalling \$59,981,680. About half of that amount is for new buildings, movable equipment for buildings under construction or asked for, 20% for remodeling projects, about 24% in utility projects, and the remainder in so-called "special" projects.

The Board Office recommended the board utilize this meeting to consider the projects as submitted by the institutions and to make tentative decisions relative to the overall capital requests of the board and the funding of that request as regards direct appropriations and academic revenue bond authority.

The Board Office presented the following tentative recommendations for probable inclusions in the board's final capital request:

CATEGORY A
PROBABLE INCLUSIONS IN
FINAL CAPITAL RECOMMENDATIONS
OF BOARD OFFICE

(Not in Priority Order)

(\$000)

<u>Institution</u>	<u>Project</u>	<u>Estimated Cost</u>	<u>Cumulative Total</u>
ISU	Music Building Equipment	\$ 918	\$ 918
ISU	Horticulture Addition Equipment	1,298	2,216
ISU	Library Addition, Phase I Construction	8,000 ¹	10,216
SUI	Planning Funds for University Hygienic Lab	200	10,416
SUI	Planning Funds for Law, Communications & Performing Arts	600 ¹	11,016
SUI	Phase I - Law, Communications & Performing Arts Construction	9,400 ¹	20,416
UNI	Planning Funds for Speech/Art, Phase II	250	20,666
ISD	Vocational Building Addition & Equipment	660	21,326
IBSSS	Service Building, Phase II	200	21,526
SUI	Chemistry-Botany Safety Modifications	1,428	22,954
SUI	Macbride Hall Remodeling	1,110	24,064
ISU	Quadrangle, Phase I Remodeling	4,400	28,464
UNI	Russell Hall Remodeling	370	28,834
UNI	Wright Hall Remodeling	700	29,534
SUI-ISU-UNI	Utility Projects	12,000 ¹	41,534
ISU	Water Pollution Control Plant Improvements	1,900	43,434
ISD	Pool Expansion	76	43,510
IBSSS	Demolition of Orchestra Hall & Old Laundry Bldg.	130	43,640
	TOTAL	<u>\$43,640</u>	<u>\$43,640</u>

¹Possible Bonding Project

The institutions and the Board Office provided members of the board with specific information pertaining to the capital requests. This information is on file at the Board Office. The overall list of projects submitted is shown below:

TYPES OF CAPITAL REQUESTS BEING MADE

(\$000)

	<u>SUI</u>	<u>ISU</u>	<u>UNI</u>	<u>ISD</u>	<u>IBSSS</u>	<u>Total</u>
Factor IA - Equipment	\$ --	\$ 2,656	\$ 642	\$ --	\$ --	\$ 3,298
Factor IB - New Buildings	11,000	8,300	4,845	2,845	200	27,190
Factor II - Remodeling	5,333	6,360	1,190	--	108	12,991
Factor III - Utilities	5,138	3,591	5,403	--	--	14,132
Factor IV - Special Projects	--	1,900	--	115	356	2,371
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>\$21,471</u>	<u>\$22,807</u>	<u>\$12,080</u>	<u>\$2,960</u>	<u>\$664</u>	<u>\$59,982</u>

FACTOR IA

Equipment for Buildings Under Construction or to be Constructed
(Not in Priority Order)

ISU	Music Building	\$ 918,000
ISU	Horticulture Addition	1,298,000
ISU	Quadrangle Remodeling	440,000
UNI	Speech/Art - Phase II	<u>642,000</u>
	Total	<u>\$ 3,298,000</u>

FACTOR IB

New Buildings
(Not in Priority Order)

SUI	Planning Funds for Law, Communications, & Performing Arts (3% of \$20M to permit design development)	\$ 600,000
SUI	Phase I - Law, Communications & Performing Arts	10,200,000
SUI	Planning Funds for University Hygiene Laboratory (5.7% of \$3.5M to permit development of working drawings)	200,000
ISU	Library Addition - Phase I Construction (Build 80,000 gsf)	8,000,000
ISU	Mechanical Engineering & Engineering Science & Mechanics - Planning Funds (5% of \$6M to permit development of working drawings - Construct 77,000 gsf)	300,000
UNI	Speech/Art Phase II Construction (Construct 67,000 gsf)	4,845,000
ISD	Vocational Building Addition & Equipment (Construct 10,000 gsf)	660,000
ISD	Media Center Addition & Equipment (Construct 7,500 gsf)	605,000
ISD	Recreational Facility & Equipment (Construct 18,000 gsf)	850,000

FACTOR IB Cont.

ISD	Laundry Facility/Bus Shelter & Equipment (Construct 5,300 gsf)	\$ 310,000
ISD	Two Cottages (3,000 gsf each)	420,000
IBSSS	Service Building - Phase II (Construct 5,500 gsf)	<u>200,000</u>
	Total	<u>\$27,190,000</u>

FACTOR II

Remodeling Projects
(Not in Priority Order)

SUI	Chemistry-Botany -- Safety Modifications Functional Remodeling (15,000 gsf)	\$ 1,427,600 2,795,700
SUI	Macbride Hall	1,110,000
ISU	Quadrangle - Phase I (Renovate 100,000 gsf)	4,400,000
ISU	Curtiss Hall, Phase I	1,017,000
ISU	Beardshear Hall	476,000
ISU	MacKay Hall - Planning Funds	267,000
ISU	Industrial Education II (Old Veterinary Clinic Space) Planning Only (5% of a \$4M project to renovate 70,000 gsf)	200,000
UNI	Russell Hall	370,000
UNI	Wright Hall	700,000
UNI	Sabin Theatre	120,000
IBSSS	Main Building - Administrative Offices Renovation - Phase II	74,000
IBSSS	Main Building - Renovation for Conference Room	<u>34,000</u>
	Total	<u>\$12,991,300</u>

FACTOR III

Utility Projects
(Not in Priority Order)

SUI	Sludge Handling Facilities	\$ 1,855,000
SUI	Campus Electrical Supply Renovation	2,445,000
SUI	West Coal Silo	133,000
SUI	Coal Elevator Replacement	153,000
SUI	5 kv Electrical Distribution System	263,000
SUI	Rebuild Rotor on Elliott Turbine	102,000
SUI	Power Factor Improvement	104,000
SUI	Water Plant Service Pump	83,000
ISU	Quadrangle - Utility Distribution Improvements	242,000
ISU	Library Addition - Utility Extensions	759,000
ISU	South Campus - Condensate Return System Improvements	115,000
ISU	Campus - Steam Main Improvements	241,000
ISU	Steam Tunnel Lighting Improvements	58,000
ISU	Heating Plant - Replace Station Power - Phase I	230,000
ISU	Steam Generator #1 - Replace Stoker	230,000
ISU	Primary Electrical Distribution System Improvements	86,000
ISU	Campus - Electrical Vault Improvements	207,000
ISU	North Campus - Storm Sewer Addition	805,000
ISU	Power Factor Improvements - Phase II	57,000
ISU	Building Electrical Improvements	470,000
ISU	Campus Lighting	91,000
UNI	Turbine Generator - 7500kw	3,400,000
UNI	Steam Loop #3	650,000
UNI	Relief Valves & Pressure Reducing Valves	51,000

FACTOR III Cont.

UNI	Hudson Road Storm Sewer Headwall	\$ 11,400
UNI	Vault 15-A Renovation	55,860
UNI	Steam Line Improvements	114,000
UNI	Relocation of Steam Line at UNI-Dome	140,220
UNI	Storm & Sanitary Sewer Renovations	296,400
UNI	Campus Water Line Loop Connection	57,000
UNI	Electrical System Improvements	<u>627,000</u>
	Total	<u>\$14,131,880</u>

FACTOR IV

Special Projects
(Not in Priority Order)

ISU	Water Pollution Control Plant Improvements	\$ 1,900,000
ISD	Pool Expansion	76,000
ISD	General Service Dock	39,000
IBSSS	Enclosed Walkway between Rice Hall & Gymnasium	70,000
IBSSS	Demolition of Orchestra Hall & Old Laundry Building	130,000
IBSSS	Main Building Area Site Clearance & Staff Parking	127,500
IBSSS	Main Building Service Entrance	<u>28,500</u>
	Total	<u>\$ 2,371,000</u>

The Board Office examined each project and tentatively put all submittals in a Category A, B, or C. Category A projects were shown above. Category B projects, totalling \$15.2 million, were those the Board Office considered for exclusion from the final capital recommendation. Category C, totalling \$908,000, involved projects at Iowa School for the Deaf and the Iowa Braille and Sight Saving School which the Board Office recommended be dropped from further consideration.

The two projects recommended to be dropped at Iowa School for the Deaf by the Board Office were the cottages and the laundry facility. The Board Office indicated that it appeared that an alternative other than building additional space needed to be examined. In the case of the cottages, the Board Office stated that with the declining enrollment, some dormitory space might open up in the next two to four years which could be converted to apartments to serve the same purpose as the cottages. In the case of the laundry facility, the school (at the request of the executive secretary) has initiated a study on contracting out its laundry service.

Iowa Braille and Sight Saving School received \$240,000 in capital appropriations from the 1977 Session. Because of the transfer of certain operating funds to fund some of these projects, the Board Office estimated a capital balance of \$177,000 at this time. The Board Office said it appeared that the school could utilize these capital balances to initiate projects to complete the administrative offices relocation, to construct the enclosed walkway between Rice Hall and the gymnasium, and to renovate part of the auditorium in the main building for conference room space. Therefore, all three requests were dropped from the 1979-1981 request.

The Board Office, in formulating its tentative recommendation of a capital program of about \$43.6 million for the 1979-1981 biennium, considered the other parts of the overall capital recommendation of the board. These included an energy conservation program for which \$1 million was tentatively recommended in direct appropriations early in the 1979 Session to be followed (probably) by a request for \$12 million in academic revenue bonding authority for 1980-1981, and the handicapped accessibility program which totalled \$3.6 million in 1979-1980. When those three programs were put together, the tentative capital recommendation included projects for \$60.2 million.

The Board Office noted that the projects recommended for exclusion from the final capital recommendation of the Board Office were all worthwhile. There was little question but that most of those projects would eventually have to be undertaken at the institutions. The type of projects in Category A, however, were deemed by the Board Office to be those most urgent at the institutions. The Board Office noted that there was not a great deal of flexibility open to the board in this area when it was considered that there was about \$2 million in inescapable movable equipment costs for two buildings at Iowa State University; \$10 million in the solution to the space problems in Law and Old Armory at the University of Iowa; \$8 million for a Library Addition at Iowa State University; \$4.4 million in the Quadrangle project for which planning funds have already been spent; and a large list of urgent utility projects at all three universities.

GENERAL
September 21-22, 1978

The Board Office's tentative thinking relative to funding of programs was to bond for about \$30 million, with the remainder of \$13.6 million of the capital program, \$1 million in the energy program, \$3.6 million in the handicapped accessibility program coming from direct appropriations. The tentative bonding program would include a continuation of the program of bonding for utility projects in the amount of \$12 million, the Library Addition Phase I at Iowa State University in the amount of \$8 million, \$600,000 for planning funds for Law, Communications and Performing Arts, to follow a year later by bonding for \$9.4 million for Phase I construction of that project at the university.

Mr. McMurray reported that the institutions requested a total of \$60 million in capital projects. He noted that one-third of the institutional requests related to two major new projects: the Library project at Iowa State University (\$8 million) and the first phase of a \$20 million plus project at the University of Iowa to solve the space problems in Law, Communications and Performing Arts. The latter project would either build an addition to the law building or an entirely new law center and it would also demolish the Old Armory with those functions either moving into the space vacated by law in the case of the new addition or totally new space in one or two additional new buildings on campus.

Mr. McMurray noted that the Board Office examined the capital needs at Iowa School for the Deaf, Iowa Braille and Sight Saving School and Iowa State University by visiting the respective institutions. He said the University of Northern Iowa and the University of Iowa were yet to be visited and that final recommendations pertaining to those institutions would be presented to the board after visits prior to the October 5 meeting of the board.

Mr. McMurray indicated that the institutions listed their capital needs in priority order with the exception of the utility needs which were listed at the bottom of each institutional list in separate priority order.

Discussion was raised pertaining to the bonding capability for board projects. Mr. Richey noted that it is true that the more the board bonds, the more difficulty it will have in future biennia of getting direct appropriations for its capital projects. Regent Brownlee indicated that while the first choice of the board pertaining to funding is that it receive direct appropriations for its capital projects, the board needed to balance its needs with what is possible by direct appropriations and go from there with respect to bonding assistance.

President Petersen then directed board members' attention to each institutional request and recommended the board discuss those requests on an individual basis.

State University of Iowa

President Boyd began discussion pertaining to the University of Iowa's capital needs by stating that the university feels very strongly about its needs for space for Law, Communications and Performing Arts. During the past 18 months, the university has conducted an extensive examination of its most pressing capital needs. These capital needs, which must be met over the next several years, include the following:

1. College of Law - Total need of 112,727 net square feet (current facility accommodates 61,182 net square feet).
2. Communications and Performing Arts - Removal of Old Armory will require replacement and additional facilities totalling 67,000 net square feet to house broadcasting and film, speech, dramatic art, dance, a central video facility and general assignment classrooms.

President Boyd indicated that the needs are critical and involve problems related to safety in existing buildings, building obsolescence, expansion of programs, accreditation requirements, changes in teaching methods, and instructional technology.

The university recommended that \$600,000 be appropriated in 1979-1980 for Law, Communications and Performing Arts and \$10,200,000 in 1980-1981. The 1979-1980 appropriation of \$600,000 would fund the planning process needed to establish the optimal solution and the best method of phasing construction and/or modernization. With planning completed by the end of 1979-1980, the \$10,200,000 would be used to implement the first phase of the optimal solution. The solution would involve either a law school addition, a new communications facility and university theatre addition, or a totally new law school with the current law building utilized for communications and dramatic art.

President Boyd noted that while the institutional request for the above-stated needs represented a substantial commitment of funds, it has the advantage of allowing the university to recommend the most efficient solution to the space problem in a manner which can be addressed over time. The university understood that an appropriation for the planning money would not commit future legislative sessions to make the appropriations required to solve the space problems addressed in the planning process.

President Boyd called board members' attention to the second university priority on its capital list: Chemistry-Botany -- Safety and Modernization. He said that the Chemistry-Botany Building project involves two parts. The first part completes the task of correcting safety deficiencies existing in this building. This portion is estimated to cost \$1.4 million and carries on from modifications in the past year. The second part of the project, estimated to cost \$2.8 million, includes remodeling of 15,000 gross square feet, mostly for use as faculty laboratories and support facilities.

The next item raised by President Boyd pertained to the university's request for \$200,000 for planning for the University Hygienic Laboratory. He said

GENERAL

September 21-22, 1978

that in January of 1979 the university will complete a project to move approximately one-half of the University Hygienic Laboratory to remodeled space on the Oakdale Campus. The project will upgrade and modernize much of the University Hygienic Laboratory facilities. The balance of the facilities remain on the main campus in four totally inadequate former residences. A recently-completed review of the University Hygienic Laboratory concluded that it is impossible to provide safe and efficient laboratory facilities in the old houses. As a result, different quarters must be provided, and the university proposed that efficient, safe quarters be provided on the Oakdale Campus adjacent to the laboratory facilities to be completed in January of 1979. In order to properly determine the configuration of this space, the university requested planning money for this facility. Current estimates indicated that the facilities will cost approximately \$3.5 million. President Boyd noted that while this institutional request had no direct tie-in to academic programs, the State Hygienic Laboratory performs a tremendous service for the state.

Vice President Jennings then explained the institution's utility needs for the board. Particular mention was made to the need for \$1,855,000 for Water Plant - Sludge Handling Facilities. He noted that in November of 1977 the city of Iowa City was notified that the university would not discharge its water treatment sludge into the city system and will, dependent upon appropriations, dispose of its water treatment sludge independent of the city. The university commissioned a study which developed and evaluated alternative plans for treatment of the university water treatment facility sludge. The alternative selected was to have the university treat sludge independently of the city's facilities. While this required a substantially large initial investment, it would realize a significant savings in annual operating costs over other alternatives.

Vice President Jennings recommended the board and Board Office reexamine the split in funding recommended by the Board Office for Chemistry-Botany Safety Modifications and Macbride Hall Remodeling before the board makes a final decision on these items. He added that the Board Office reduced some of the institution's utility projects that the institution placed high priority on and suggested further consideration be given to that.

Dean William Hines, College of Law, then rose to speak pertaining to the situation in Law. He said he has heard the law facilities problem referred to as a "numbers problem" but reiterated that the number of students enrolled in the college does not represent the problem. The college could cut enrollments back by one-third and would still have the same problem. He said that any "numbers problem" pertaining to the law facilities would reflect the totally inadequate library facilities of the institution which causes inability to provide professional service to the students needing proper books.

Mr. Samuel Becker, Professor, Speech and Dramatic Arts, emphasized the needs in his area by stating the program is now scattered across the campus in five different buildings which creates a great problem in faculty/student relationships.

Regent Bailey noted that he felt a new law building was the best solution to the law school's needs. He asked why the institution has repeatedly recommended that such a facility be located on the east side of the institutional campus as opposed to the west side. President Boyd responded by stating that the library facilities are located on the east campus and the library and law school should be located in close proximity to avoid duplication in certain areas such as government documents.

President Petersen expressed particular support of the remodeling needs in the Chemistry-Botany Building and strongly encouraged the board to request funds to complete that remodeling at one time rather than by piecemealing the project. She said she was troubled that if the board would not do the remodeling at one time, the building could be disrupted for three, four, or five years. She said that although she realized the limitation of resources, precedence should be placed on remodeling the Chemistry-Botany Building at one time at soon as possible.

Vice President Jennings noted that there is a possibility that, if necessary, some remodeling funds could be transferred to finish the safety needs in the Chemistry-Botany Building as the priority for this task is paramount. He commented that the project may need to be phased in that some of the remodeling needs interact with safety needs.

Iowa State University

Vice President Moore outlined Iowa State University's capital needs by categorizing them as follows: (000's omitted)

	<u>1979-1981</u>
New Buildings and Movable Equipment	\$ 10,956
Remodeling	6,360
Utilities	3,591
Special Projects	<u>1,900</u>
TOTAL	\$ 22,807

Speaking first about new buildings and movable equipment, Vice President Moore noted that the Board Office recommendation included the first three institutional requests but not movable equipment for the Quadrangle or planning funds for Mechanical Engineering and Engineering Science and Mechanics. Vice President Moore noted that the Board Office recommendations for new buildings/movable equipment for Iowa State University were: Library Addition - Phase I (\$8 million) Music Building - Movable Equipment (\$918,000), and Horticulture Addition - Movable Equipment (\$1,298,000). Vice President Moore commented that the university agreed with the Board Office's decision on the above projects in view of the limit on the proposed level of requests.

Mr. Richey inquired as to Iowa State University's intentions with the library project. He said he understands that the proposal contained no remodeling for the existing library structure. Vice President Moore responded that Iowa State University has discussed remodeling the existing structure with the Office for Planning and Programming in Des Moines. He said that a lot depends on the scope of the project's funding but noted that if a major addition were built to the existing library, an exorbitant amount of money would be needed to bring the current building up to standards. Vice President Moore noted that the university has tentative agreement from the Office of Planning and Programming to build a new addition to the existing library with renovation of current space to be phased in later. Vice President Moore indicated that the university proposes that the library eventually be a unified building.

Vice President Moore then turned the board's attention to the remodeling needs at Iowa State University: Quadrangle - Phase I, Curtiss Hall, Phase I and Beardshear Hall, and Industrial Education II (Clinic) - planning funds. The Board Office recommended the institution's request pertaining to the Quadrangle but excluded the other remodeling requests of the institution from its recommendation to the board. The 1976 Legislature provided planning funds for the Quadrangle. The university intends to renovate 100,000 gross square feet of space vacated by Veterinary Medicine and now occupied, in part, by the College of Education. Cost of the Quadrangle renovation for use by Education and Psychology is \$4.4 million. This cost then figures out to \$44 per square foot for renovation as compared to construction of new space of probably \$80 to \$85 per square foot.

Discussion then turned to the institutional request for utility needs. Vice President Moore noted that the top priority pertaining to utility needs at the university was for Water Pollution Control Plant Improvements. Need was indicated at the \$1,900,000 level. Such payment would go to the city of Ames as the Board of Regents' share of the construction of a completely new water pollution control plant in the city. This plant is required to meet the effluent quality standards of the United States Environmental Protection Agency and the Iowa Department of Environmental Quality. The total cost of the new facility is estimated to be in excess of \$30 million. The Board Office noted several ways in which the board's share might be handled. They included a direct appropriation to the board, a direct appropriation to the city of Ames, or to the Department of Environmental Quality. Also, the board could pay its share out of operating funds, in that Ames would bond for the project and charge back the cost of the project in sewer charges to Iowa State University. Vice President Moore indicated that this request could be reduced if a federal grant would be available but at the present time there doesn't seem to be such funding available at the federal level.

Special needs of the university were then discussed. Planning funds for MacKay Hall in the amount of \$267,000 were requested by the university as well as \$91,000 for Campus Lighting for Safety and \$470,000 for Building Electrical Improvements for Safety. The Board Office did not include these requests in its recommendation to the board.

University of Northern Iowa

Specific attention was called to the Board Office's recommendation on Speech/Art Phase II and the institutional request. While the Board Office only recommended \$250,000 for planning, the institution requested \$4,845,000.

President Kamerick noted that Phase II of the Speech/Art Complex is comprised entirely of the Art Department. Originally, that department was included in the first phase of construction, but budget problems resulted in postponement of construction until additional funding could be acquired. There is now an urgent need to update and replace the present facilities. President Kamerick emphasized that this project has been on the institution's capital request for many years. Vice President Stansbury reported that if planning funds were provided the university for Speech/Art, construction could be begun within a year's time.

September 21-22, 1978

Vice President Stansbury stated that the University of Northern Iowa was able to delete \$500,000 worth in requests for utility projects because the institution was able to fund money for utilities from savings from its coal-fired boiler. Also, that steam line will provide adequate steam service which will include service to the Art Building in the future.

President Kamerick made a strong plea to the board for the need to replace the Quonset huts currently being used on the institutional campus. He reiterated the dire need for replacement housing to emphasize the extremely poor condition those units are in.

The University of Northern Iowa listed three remodeling projects on its capital list. They included improvements to Russell Hall, which is the music building on campus, at a cost of \$370,000; remodeling of the heating, ventilating, and air conditioning system and space now occupied by Home Economics in Wright Hall at a cost of \$700,000; and a small project of \$120,000 to remodel an area in Sabin Hall which houses Studio Theater into an office complex for the Department of Economics.

The university proposed installation of a 7,500 KW turbine generator at Power Plant 2. This project has an estimated cost of \$3.4 million. It was proposed to preclude the purchasing of station power for Plant 2 where a new coal-fired boiler is being installed; and, secondly, as a cost saving/energy conservation improvement. A study conducted by Brown Engineering showed that the maximum savings will be realized when a second coal-fired boiler is installed at Plant 2. That addition, however, was not proposed until the 1987-1989 biennium. It was estimated, nevertheless, that the savings through generation of electricity, with the installation of a new turbine, would be about \$273,000 a year, as compared to purchased power from the city of Cedar Falls. In addition, if the new turbine were not installed, the university must rely on an antiquated unit in Plant 1, which is subject to failure with resultant freeze-up of buildings and structural damage at the UNI-Dome in cases of prolonged city power failure. The Board Office noted that the university is behind the other institutions in co-generation of its power needs. The turbine generator would need to be eventually installed on the campus and, in an orderly handling of long-neglected utility needs on that campus, it appeared that the 1979-1981 biennium would be timely for installation of this generator.

President Petersen admitted that all the institutional needs have importance to the respective institution making the request. She reiterated that the board must realistically limit those requests in order to present a request to the legislature that will be met favorably.

Iowa School for the Deaf

The institution's top priority presented the board involved the Vocational Building Addition with construction and equipment totalling \$660,000. Second on the list was the Media Center with Recreational Facility needs being third. The fourth institutional priority involved the Laundry Facility/Bus Shelter and fifth was a request for two cottages. Pool Expansion and General Service Dock requests finalized the list of future building projects requested by the institution. Mr. Richey noted the alterations in priority the Board Office placed upon the institutional requests. The Board Office recommended \$660,000 for the Vocational Building Addition and \$76,000 for the Pool Expansion.

September 21-22, 1978

In explanation of the Board Office recommendation, Mr. Richey stated that he felt that the Media Center's needs could be met, possibly, by utilizing existing space at that institution. A space utilization study may be able to show how library needs could be gained through better utilization of existing facilities.

Mr. Richey admitted that while the Recreational Facility request is needed, the Board Office did not deem its importance to be of the same urgency as some other institutional projects. He said that the Pool Expansion project facilitates the instructional program to a greater extent and the need appears to be greater in the eyes of the Board Office staff.

The Board Office recommended the institution contract out its laundry instead of the request noted by the institution for that facility. Mr. Richey suggested the school contact the Glenwood State Hospital, which operates a laundry, to possibly contract out the work. He said that such an arrangement would permit the current laundry facility to be torn down and would also cause economy and efficiency in that staff work could also be reduced.

Regent Bailey asked what effect contracting the laundry out would have upon the other part of that request, the Bus Shelter. Mr. Richey noted that the school does have some bus storage capacity but noted that most institutions do not. He said that if enrollment declines as predicted, the need for buses may decline. He summarized his response, then, by stating that both segments of the Laundry Facility/Bus Shelter & Equipment request could be handled without being included on the capital request.

Mr. Richey commented that the cottage requests made by the institution may not be urgent in that dormitory space may become available, also, if enrollment declines.

Going back to the request for a Recreational Facility, Mr. Richey stated that the school currently has been using a barn for this purpose. While the barn is not ideal, it serves the purpose at the present time. He noted that the Board Office recommendation was not eliminating this request completely from future askings by deleting this item from this biennial request. In response, Superintendent Giangreco stated that with the expansion of the girls' sports activities, the existing gym is over capacity and this activity has suffered as a result. He added that children below the high school level don't have opportunities to use these facilities outside the pool.

President Petersen stated that students should be provided a proper opportunity to participate in athletic events. She said she visualizes that there may be a time when handicapped children in the area education agencies and the special schools may compete against each other athletically.

Superintendent Giangreco reiterated the school's need for Vocational Building Expansion. He emphasized that the conditions for instruction in that area are now overly crowded. He said that the general function of this addition would be to allow for expansion of the Vocational curriculum and to locate existing programs in one building. The addition would be a two-story structure on the north side of the existing building.

Mr. Richey, reconsidering the Board Office recommendation, suggested that planning funds for a Recreational Facility be requested the second year of the biennium in an amount to be determined.

Regent Harris inquired as to how much land the Iowa School for the Deaf owns. Superintendent Giangreco reported that the school owns approximately 200 acres of property. The campus itself consists of 90 acres and the institution also owns approximately 75 acres of farm land. Regent Harris asked if the institution would profit by selling some land in view of the probable declining enrollment. Superintendent Giangreco responded that the land is now being used for recreational activities and farming. Mr. Richey then encouraged the school to review again the need for the farm land that is not contiguous to the school's main property. He said that sale of such land could, possibly, be used to fund some of the institution's capital requests.

In absence of objections, President Petersen recommended planning money be added to the Board Office recommendation for a Recreational Facility the second year of the biennium.

Iowa Braille and Sight Saving School

The Iowa Braille and Sight Saving School's capital needs were segmented into individual projects although the school indicated it was difficult as the majority of them were the implementation of the Master Plan and were interwoven. The following list comprised the institutional request:

Phase II - Administrative Offices Relocation/Renovation
(\$74,000)

Enclosed Walkway to Gymnasium-Swimming Pool-Bowling Alley
(\$70,000)

Demolition of Orchestra Hall and Old Laundry Building
(\$130,000)

Service Building - Phase II
(\$220,000)

Main Building - Site Clearance - Staff Parking
(\$127,000)

Main Building Service Entrance
(\$28,500)

Conference Room - Auditorium
(\$34,000)

Mr. Richey reported that the Board Office recommended \$200,000 for the institutional request for Service Building - Phase II and \$130,000 for Demolition of Orchestra Hall and Old Laundry Building in its tentative recommendation to the board.

Mr. McMurray pointed out that Phase II - Administrative Office Relocation/Renovation, Enclosed Walkway to Gymnasium-Swimming Pool-Bowling Alley, and Conference Room - Auditorium projects were tentatively recommended to be funded from current institutional capital balances. The only projects not recommended, then, were Main Building - Site Clearance - Staff Parking and Main Building Service Entrance which the Board Office recommended be deferred at the present time.

Superintendent DeMott emphasized the need for the Main Building - Site Clearance - Staff Parking project in conjunction with the Main Building Service Entrance project. He reported that right now the Main Building's basic entrances are in the rear for staff and students as well as for vehicular traffic. He said when those three groups compete against each other, there is a potential hazard created. The site clearance and staff parking aspects would implement the relocation and/or elimination of internal streets and drives to reduce inner-campus vehicle traffic. It also doubles the size of the staff parking lot west of the bowling alley and includes resurfacing and landscaping. The service entrance for delivery of supplies, equipment, etc. would be relocated with a ramp and loading dock. An adjoining ramp for handicapped accessibility could be provided. Dependent upon the final location, internal storerooms would be renovated and situated accordingly.

Total Request

President Petersen then directed board members' attention to the overall institutional requests.

Board discussion then turned to bonding. President Petersen recommended the board discuss the bonding proposed for certain board projects and specifically noted the importance of the Library Addition Phase I and the first phase of the Law, Communications, and Performing Arts project.

Regent Wenstrand said he had some problems, intrinsically, with the bonding approach but said he felt bonding needed to be used sometimes. He agreed with comments made by Vice President Jennings in that the board should not always be closing off the bonding approach. Vice President Jennings had reported that the board has very serious problems with respect to capital needs and it may be very worthwhile to use the bonding flexibility for some of those needs.

Regent Bailey said he felt the board would be taking quite a risk if it did not request capital money for the Library Addition Phase I and the first phase of the Law, Communications, and Performing Arts project. He said that the legislature seems to resist bonding for academic buildings. In response, Mr. Richey interpreted Regent Bailey's concern as suggesting that instead of the board asking for the \$18 million in direct appropriations, the board should request a higher sum in that category and a lower sum in bonding so as not to "leave any appropriations lying out on the table." Mr. Richey reported, however, how difficult it is to determine what should be recommended for bonding and what should not and noted that a judgement call method was used.

Regent Shaw said he would be quite content to put the board's request of facilities before the legislature and let it decide whether the bonding mechanism could be broadened for the board and how projects could then be financed. Regent Shaw commented that the tax exempt issue comes into the picture, too, when the legislature considers the board's capital/bonding request.

Regent Barber suggested the board pursue the bonding approach for financing its projects. He said he felt that the board really didn't care how projects were actually financed, just as long as they were funded. He suggested the board ask for bonding in the most effective manner and added what while he was not actually pushing the bond proposal, he would not be hesitant to make an effort in that direction. He said the bonding approach is both reasonable and logical at this point.

Regent Harris said he did not want to just give the legislature the board's capital needs and let it decide what should be bonding versus direct appropriations. He felt the board should give the legislature a breakdown pertaining to direct appropriation requests with the balance being requested to go the bonding route. He said he did not want the board to expect the legislature to completely have to make the decisions between direct appropriations and bonding.

Regent Brownlee inquired as to when the board's request actually needed to be made pertaining to its capital needs. Mr. Richey responded by saying the final decision needed to be made on October 5 as that is the deadline. He noted, however, that the request could be changed, if necessary, at the November meeting in light of possible changes apparent at that time. For all practical purposes, however, Mr. Richey said decisions needed to be made at the present time pertaining to capital. Regent Brownlee then said he felt the two major projects recommended for bonding are so important that bonding would provide the better chance of getting those funds. Regent Slife shared Regent Brownlee's view of going the bonding route as it appears that may be the only real opportunity to obtain funding for those two major projects.

MOTION:

Mr. Brownlee moved the board tentatively approve the Board Office recommendations in Category A and Category B for capital improvements for the 1979-1981 biennium with the understanding that additional consideration will be given to the Chemistry-Botany Safety Modifications project and planning funds for a Recreational Facility at the Iowa School for the Deaf. Mr. Barber seconded the motion.

Regent Brownlee suggested the University of Iowa use some of its planning funds to seriously inquire into the possibility of using the present College of Law for purposes of communications and art. Vice President Jennings said the university will explore all alternatives.

Mr. Richey reported that further consideration will be given to the bonding of utility projects between now and the October 5th meeting of the board. He said it may be that the bonding required for utility projects may be reduced if feasible and practical.

VOTE ON MOTION:

The motion passed unanimously.

Mr. Richey commented that he felt strongly that the budget documents pertaining to the board's requests not be identical to the ones the board has used in the past. He said the current format is very difficult to understand and suggested something on the order of a single document involving approximately 100 pages. He said the board has, in the past, provided the legislature with two documents: a 40-50 page summary and a more comprehensive document. Mr. Richey said he felt that a more simple document would better portray the board's needs to the legislature. He suggested that the respective institutional business officers decide on the most effective way of communicating institutional needs to the legislature.

President Petersen then suggested that the board make up separate institutional brochures on certain aspects. Vice President Brodbeck responded to President Petersen's suggestion by stating that she felt separate institutional brochures would not be the best method to present needs to the legislature. She said some of the effectiveness may be lost by using that method. It was then decided that the institutional business officers would work on this matter.

AUTHORIZATION TO INSTITUTE SUIT AGAINST THE VETERANS ADMINISTRATION. The Board Office recommended the board authorize and direct Arthur O. Leff, Special Assistant Attorney General, to commence proceedings against the United States Veterans Administration to enjoin enforcement of the agency's "seat time" regulation on behalf of the University of Iowa, Iowa State University, and the University of Northern Iowa.

The Board Office stated that the Veterans Administration has been enforcing a regulation which requires that veterans, to be eligible for GI Bill benefits as full-time students, take 12 credit hours, which the regulation interprets to mean the equivalent of 12 classroom hours, during a non-standard semester or quarter. This regulation has been successfully challenged by Wayne State University, and locally, by Kirkwood Community College. A letter from Vice President Brodbeck, University of Iowa, succinctly summarized the recent unsuccessful efforts made by that university to obtain a waiver of this regulation since the university believes that the regulation is a serious infringement on academic policy making.

The Board Office indicated that there was proof that good and sufficient educational grounds and policies existed for variation between the number of credit hours and the number of class contact hours. Two United States senators also provided the board with support that the regulation was unfair.

The Board Office stated that the proposed action would avoid having the universities subject to costly and time-consuming paper work requirements to comply with the regulation and to protect those Iowa veterans who, acting in good faith on the assumption that they will continue to be full-time students at the Regents' universities, may hereafter be assessed tuition costs which they can ill afford or who may be required to increase their course load beyond what they can reasonably expect to handle in order to remain eligible for GI benefits.

Regent Wenstrand asked if other states are taking action in opposition to the regulation described above. Assistant to President Mahon, University of Iowa, reported that the regulation is not enforced in every state. She noted, however, that the American Council on Education has indicated that it will support Iowa in its opposition of the regulation.

Mr. Arthur Leff reported that the regulation has an extensive effect and the only recourse Iowa has is to follow the Wayne State case. Mr. Leff suggested that any motion made on this matter include authorization to have him act as a friend of the court with respect to the Wayne State University appeal as the filing of a brief along that line may be necessary.

MOTION:

Mr. Slife moved the board authorize and direct Arthur O. Leff, Special Assistant Attorney General, to commence proceedings against the Veterans Administration to enjoin enforcement of the agency's "seat time" regulation on behalf of the University of Iowa, Iowa State University, and the University of Northern Iowa with authorization for the Attorney General's Office to have Mr. Leff appear as amicus in the Wayne State University case if appropriate. Mr. Bailey seconded the motion and it passed unanimously.

REQUEST FOR TUITION REPLACEMENT FOR DEBT SERVICE FOR ACADEMIC REVENUE BONDS FOR 1979-1981. The Board Office recommended the board request tuition replacement appropriations of \$4,250,000 for fiscal year 1979-1980 and \$4,550,000 for fiscal year 1980-1981 with the understanding that these requests only include debt service on bonds already sold and any additional debt service payments coming from new bonding as part of the capital request would be added to these requests.

The Board Office noted that tuition replacement appropriations are made by the General Assembly to pay debt service on outstanding academic revenue bonds. The General Assembly has, since 1969 when it authorized the board to first issue revenue bonds for construction of academic facilities, appropriated funds to reimburse the institutions for tuition and fees used for debt service for such bonds.

The tuition replacement request was net of earnings on investment of bond proceeds and receipts from federal interest subsidy grants. Total debt service payments of \$4,795,902 will be made in 1979-1980 with the institutions earning \$545,902 with the remainder coming from tuition replacement appropriations. During 1980-1981, this amount increases to the maximum of \$4,916,847 with the institutions earning \$366,847 and the remainder coming from state tuition replacement appropriations.

After 1980-1981, debt service requirements will begin to decline at average annual rates of \$195,000 per year reducing to an estimated need of \$4,355,000 in 1981-1982 and \$4,160,000 in 1982-1983. The board was made aware that current estimates show that approximately \$230,800 of the appropriation made in the current year will not be needed for tuition replacement purposes. The Board Office indicated that it expects to have a recommendation for usage of those funds at an early date.

The Board Office indicated that the tuition replacement program is vital to the success of bonding for academic facilities. The board's highest priority is that the 68th General Assembly continues the commitment and high support given this program by the Governor and the legislature since its inception in 1969.

Mr. Richey indicated that this request would probably be amended at the October 5th meeting to include new bonding needs.

MOTION:

Mr. Slife moved the board request tuition replacement appropriations of \$4,250,000 for fiscal year 1979-1980 and \$4,550,000 for fiscal year 1980-1981 with the understanding that these requests are for existing debt service and any additional bonding requested as part of the capital program would be added to these requests. Dr. Harris seconded the motion and it passed unanimously.

REQUEST FOR CAPITAL FUNDS FOR MODIFICATION FOR FACILITIES TO MAKE THEM ACCESSIBLE TO HANDICAPPED PERSONS. The Board Office recommended the board request the Governor and legislature to provide state funds totalling \$3,600,000 for final implementation of the statewide need at Board of Regents' institutions. The Board of Regents would advocate this program in budget presentations before various groups, including the Governor and the legislature, but as has been the case previously, this request would not be a direct part of the Board of Regents' 1979-1981 capital request.

Tentative allocation of the request would be as follows:

University of Iowa	\$ 855,000
Iowa State University	1,240,000
University of Northern Iowa	835,000
Iowa School for the Deaf	370,000
Iowa Braille and Sight Saving School	300,000
	<u>\$3,600,000</u>

The Board Office reported that late in 1975 and continuing in 1976, a complete plan was developed through surveys of individual buildings to make all of the principal academic and administrative space at the Board of Regents universities accessible for the physically handicapped. Under that plan, it was proposed that 152 buildings at the universities would, by the fall of 1982, be accessible according to the following criteria:

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

The program was initiated through a direct appropriation to the Board of Regents of \$500,000 in the 1976 session and continued through a capital appropriation of \$935,000 in 1977. These funds were used to make modifications to a total of 49 buildings on the campuses. The major cost center in these modifications was the installation of ten elevators. Concentration in the program up to this point has been on student access at the three universities.

The Board Office noted that the issuance of Section 504 of the Rehabilitation Act of 1973 has had a major impact on the board's statewide program for handicapped accessibility. First, the program has had to be revised so that access is provided to programs for employees and the public, as well as students. Second, the initial program of the board was set up in four phases, with the final phase to be carried out in the 1981-1983 biennium. Because Section 504 requires that all programs be accessible by June of 1980, the third and fourth phases have had to be merged into one final phase.

The five board institutions have assembled a program that will require an appropriation from the 1979 Session in order to assure compliance with Section 504 requirements of \$3.6 million. All costs were expressed in July, 1979 dollars.

The program, by institution, was as follows:

University of Iowa

The university has received \$580,000 in appropriations and has supplemented those funds by other institutional funds to provide modifications on 12 different buildings. These modifications included ramps, restrooms, three wheelchair lifts and six new elevators. The university indicated that it required an additional \$855,220 in order to make some modifications to 42 buildings on campus. Nineteen of those buildings would only need to be modified to the extent of an accessible water fountain. The expensive items, however, involved the installation of 7 new elevators, restroom modifications in 17 buildings, exterior ramps in 13 buildings, and 4 wheelchair lifts.

Iowa State University

Iowa State University has received \$530,000 in appropriations. This enabled modifications to be made to 17 different buildings. The modifications included installation of 10 ramps, 2 wheelchair lifts, 3 new elevators, modifications of 6 elevators and modification of 11 pairs of restrooms. The university indicated it needed about \$1.2 million to modify 32 additional buildings. Those modifications involved ramps to 7 buildings, 6 new elevators, modification of 11 elevators, modification of 22 pairs of restrooms and installation of 23 accessible water fountains.

University of Northern Iowa

The University of Northern Iowa has received \$295,000 in appropriations. This enabled modifications to be carried out in 17 buildings. Those modifications included 10 ramps, one new elevator, modification of 6 elevators, modification of 16 pairs of restrooms and installation of 16 accessible water fountains. The university requires about \$836,000 to modify 14 additional buildings, including installation of 6 new elevators, 7 ramps, 6 wheelchair lifts, modification of one elevator, modification of 9 restrooms and installation of 7 accessible water fountains.

Iowa School for the Deaf

Modifications will be made in 8 buildings on campus. The campus architect is currently estimating the cost of those modifications. A rough estimate at this point was that it would cost about \$370,000. The school currently has \$30,000 available to it for this purpose and the initial modifications will take place next spring.

Iowa Braille and Sight Saving School

The program would modify 7 buildings on the campus at a cost of about \$300,000. An integral part of the program is installation of an elevator in each of the three dormitories and provision for access to the tunnel system for handicapped persons.

Additional information pertaining to making facilities accessible was provided by the institutions.

President Petersen asked if federal funds may be available for the purpose of making facilities accessible to the handicapped. Mr. Richey reported that there are no funds currently but if funds do become available, the board's request would be reduced accordingly. Mr. Richey noted that the board's request was "statewide" and not specifically a part of the board's capital program.

MOTION:

Dr. Harris moved the board request the Governor and legislature to provide state funds totalling \$3,600,000 for final implementation of the statewide need at Board of Regents' institutions. The Board of Regents would advocate this program in budget presentations before various groups, including the Governor and the legislature, but as has been the case previously, this request would not be a direct part of the board's capital request for 1979-1981. Mr. Shaw seconded the motion and it passed unanimously.

Mention was made that the action was tentative, subject to change at the board's October 5th meeting.

REQUEST FOR PLANNING FUNDS FOR ENERGY CONSERVATION PROGRAM. The Board Office recommended the board accept an energy conservation report and give consideration to a tentative recommendation that \$1 million be requested in direct capital appropriations from the 1979 Legislative Session to permit detailed planning for a comprehensive conservation program at Board of Regents' institutions.

The Board Office stated that meetings have been held during the past month with institutional officials, members of the Energy Policy Council and staff, members of the Governor's staff and State Comptroller's staff on the development of a comprehensive energy conservation program for Board of Regents' institutions.

It was indicated that the program has two central features: 1) implementation of a central control system and monitoring on each of the campuses, and 2) a retrofit of existing systems in buildings on the campus. The detailed report assembled by the institutions showed that the average cost per gross square foot for control and monitoring was about 68¢ while the average cost for retrofit was \$1.36 per gross square foot. The Board Office indicated that evidence now gathered shows that by an investment of \$2.04 per gross square foot, a return in cost avoidance of 48¢ per year is realistic. Therefore, the investment would be returned in less than five years.

The Board Office mentioned that both Iowa State University and the University of Iowa have computer-based central monitoring and control systems in place, which are connected in a limited way to a number of buildings. The University of Northern Iowa does not have the same capability at this point. It was proposed that funding be provided for the installation or expansion of complete computerized monitoring of control systems at all three universities. It was also proposed that funding be provided for a program of retrofitting building facilities to take full advantage of central control through energy conservation.

The Board Office reported that there are a number of details still to be worked out but the following suggestions were presented for discussion purposes as to program implementation:

- 1) The Governor and legislature would be requested to provide \$1 million in direct capital appropriations to the Board of Regents for purposes of development of detailed plans for full implementation of the energy conservation program for the Board of Regents' institutions. This appropriation should be provided as early as possible in the 1979 Session, so that the plans can be developed in enough detail to permit state funding of the program in the 1980 Session.
- 2) A request would be put forward to the 1980 Session which, based upon current cost estimates, would be for about \$8 million in direct appropriations or about \$12 million in authority to sell academic revenue bonds.
- 3) An integral part of the program would be an agreement being reached between the executive branch, the legislature, and the institutions on the principle that there would be no reduction in current levels of appropriations for fuel and purchased electricity until after a program was fully implemented. All savings from implementation of the program would be rolled over into the energy conservation program. The Board Office estimated that with a direct capital appropriation of \$8 million, the remaining \$12 million needed to implement a \$20 million program could be realized through a roll over of fuel and purchased electricity savings and that the program would be fully implemented in a seven-year period. At the end of the seven years, based upon current dollars, it was estimated that the cost avoidance on fuel and purchased electricity budgets would be in excess of \$4 million a year. The use of academic revenue bonding would require a slightly longer period of time for full program implementation in that some of the savings would have to be diverted to pay debt service on those bonds.

The Board Office said that it was now contemplated that there would need to be close coordination with the Energy Policy Council as that body is charged with the responsibility of development of energy conservation programs for all state agencies. The program also does not contemplate any federal funding at this point. It is probable, however, that some federal funds would be available for this purpose, although the exact nature of that funding is not clear.

The Board Office indicated that a firm recommendation would be prepared for the October 5th meeting of the board. Additional considerations include the inclusion of the University Hospitals and the two special schools and auxiliary enterprises into this comprehensive energy conservation program, the allocation of the planning appropriation among the schools, continued discussions with the State Comptroller and others on the roll over method of financing this program, and detailed calculations on funding the program from direct appropriations as compared to academic revenue bond authority. The Board Office expressed enthusiasm that a mechanism can be developed which will see cost avoidance of a significant magnitude in future years in fuel and purchased electricity budgets. It was noted that it is clear that sizable capital savings can be realized once such a program is implemented. Iowa State University, for example, has listed approximately \$6.5 million in capital utility projects which can be deleted during the next ten years with this program fully implemented. These projects include such items as repair to steam generators, emission control equipment on existing generators, and cooling tower replacements. The list could be equally substantial at the other institutions, especially when an institution contemplates a need for additional boiler capacity.

President Petersen reported that the million dollars requested for the coming biennium would be used as planning funds for the first year and that \$12 million would be requested, in addition, the second year of the biennium in bonding. Mr. Richey noted that the \$12 million bonding money would not, at this time, be a part of the board's capital request for the second year of the biennium. Notation pertaining to that information would be made in the narrative of the 1979-1981 biennial request, however. Mr. Richey said the Board Office strongly feels that this bonding matter should not get involved in the board's basic capital needs.

Mr. Richey noted that Regent Shaw had recommended earlier a different bonding approach if the board would line-item fuel and purchased electricity needs in its budget requests with savings automatically reverting back to the state. Regent Shaw had mentioned that the Board Office believes, as the national energy situation stabilizes, that savings will be sufficient so that it will no longer be necessary to cover deficits in the 1981-1983 biennium. He said he was not as optimistic as the Board Office appeared to be in that area. He suggested the board request direct appropriations for fuel and purchased electricity needs and if there is money left over, the state should receive same. Regent Shaw explained that savings in a particular year will depend not only on how much you conserve but also how cold or how hot it was.

Vice President Moore said he felt it was made clear that the Iowa Energy Policy Council feels that all state agencies should engage in a comprehensive energy conservation program regardless of whether it is funded. The Iowa Energy Policy Council feels that funds should be diverted from other categories to get the conservation program accomplished if state appropriations are not made available for same.

Vice President Moore noted that the energy conservation area occupies a different priority level in the board's askings and he saw the possibility of some "rocky road ahead." He said he also was not sure how the institution could be guaranteed that it can use the savings for debt service over a long period of time.

Regent Wenstrand asked Mr. Richey what the status of dormitories and the University Hospitals was with respect to the energy conservation program. Mr. Richey reported that energy conservation is a self-liquidating matter with the dormitories. The board does have bonding authority for the dormitories, but it is against the revenue structure. He said he doubted that the board would want to bond those any more. Mr. Richey suggested the institutions give some attention to this matter as he felt that funding would probably have to come out of generated surpluses.

Regent Shaw, commenting on the bonding matter, said the board needed to consider the occupancy time spent in dormitories in comparison to academic structures. He noted that dormitories are occupied 24 hours a day whereas academic buildings are used on the average of eight hours a day. Vice President Moore said that Iowa State University is studying energy savings opportunities in both dormitories as well as academic structures.

In response to the second portion of Regent Wenstrand's inquiry noted above, Mr. McMurray stated that the University Hospitals will need to be added to the energy conservation program request at a later time. He said the University Hospitals are not now included in the \$20 million cost estimate.

MOTION:

Dr. Harris moved the board accept the report on energy conservation and approve the tentative recommendation that \$1 million be requested in direct capital appropriations for the 1979 Legislative Session to permit detailed planning for a comprehensive energy conservation program at Board of Regents' institutions. Mr. Wenstrand seconded the motion and it passed unanimously.

PROPOSED BOARD OFFICE BUDGET FOR 1979-1981 BIENNIUM. The Board Office recommended the board: 1) give preliminary consideration to the proposed Board Office budget for 1979-1981 and 2) approve the revised budget for 1978-1979 of \$519,389.

Material was presented the board showing the proposed budget of the Board Office for the 1979-1981 biennium excluding general salary increases. The

proposed budget for the biennium included mandated growth and costs for the Federal Insurance Contributions Act, Iowa Public Employees Retirement System, and other fringe benefits. It also included funds for merit increases for both secretarial and professional staff. It assumed a 7% inflation factor for supplies and services. The remainder of the proposed increases were explained in the Board Office memorandum.

The Board Office reported that the State Comptroller's modified base budget system requires that proposed budgets of state agencies for the 1979-1981 biennium be shown at 90% of their 1978-1979 base. The 90% figure is to include any mandated growth and fringe benefits, merit increases, and an allowance for price growth for supplies and services. Specific activities of the office representing the amount displaced from the base budget for 1978-1979 have to be identified in priority order for possible restoration to the budget.

The amount displaced from the 1978-1979 budget for the Board Office amounted to about \$70,000 each year. The figure was higher than it would otherwise have been because the Board Office had to exclude the \$14,517 in transfers from unemployment insurance reserve from the two special schools to the Board Office so that the budget could be financed in 1978-1979. The State Comptroller's Office suggested that the amount of transfer not be included as a part of the base budget for purposes of calculating the modified base budget for 1978-1979.

The two basic functions of the Board Office were identified in amounts equal to the \$70,000 displaced in the base budget. They were the Director of Employment Relations and supporting expense in the amount of \$47,813 and the classification function in the merit employment unit at \$22,380. These two programs are essential to the effective functioning of the office in assisting to carry out the board's responsibilities with respect to collective bargaining and administration of its merit system. In addition, the entire equipment category was deleted from the budget to reach the 90% base.

The special items included in the budget that would be added during the 1979-1981 biennium included \$4,000 for special education consultants to the Board of Regents and its staff in carrying out its governance responsibilities for the two special schools. This proposal amounted to \$4,000 each year of the biennium.

In addition to the restoration of the base, the Board Office noted that it required some significant equipment items in the 1979-1981 biennium. An amount of \$2,470 was included for this purpose and for replacement of two typewriters. The other items of standard equipment included desks, etc.

The request for the second year of the biennium included \$3,000 to install a computer terminal in the Board Office so that it can tie into the State Comptroller's computer and therefore have access to all of that budget information, accounting system, and the new Personnel Management Information System that is going into effect. The Board Office would also be able to utilize the State Comptroller's computerized records for keeping track of bills during legislative sessions.

The last item in terms of priority included \$4,000 for a part-time graduate assistant to assist the research and information unit in carrying out its responsibilities. There are numerous relatively small and simple projects that need to be done that the present staff cannot do. Some of the items have been on the list of things to do in the office for as long as two years but time limitations prevent them from being done.

In summary, the Board Office budget for the current fiscal year is \$519,389 including the \$14,517 from unemployment insurance reserves. The proposed budget for 1979-1980 is \$571,000, which includes \$14,298 that is not really an increase in the budget. This special item is for the 27th pay period (normally there are 26) that happens to fall in the 1979-1980 year. The proposed amount for the second year of the biennium is \$581,000. The proposed budget for 1979-1980 is 7.8% over 1978-1979 when the 27th pay period is excluded.

The Board Office mentioned that the budget for the office for 1978-1979 had been revised since the board approved it in June to reflect the increase in the salary of the executive secretary which was set by the Governor after the board acted and to reflect the salary of the new budget director, which is \$900 higher than originally estimated.

President Kamerick suggested the Board Office look into several makes of communication/word processing equipment. Mr. Richey said the Board Office, in consultation with the institutions, will explore various systems.

MOTION:

Mr. Brownlee moved the board: 1) give preliminary consideration to the proposed Board Office budget for 1979-1981 and 2) approve the revised budget for 1978-1979 of \$519,389. Dr. Harris seconded the motion and it passed unanimously.

ACCREDITATION REPORTS. A. North Central Association Accreditation of the University of Iowa. The Board Office recommended the board accept the report on accreditation of the Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools for the University of Iowa.

The Commission on Institutions of Higher Education voted to continue the accreditation of the University of Iowa at the doctoral degree level with the next visit scheduled for 1987-1988.

The board was presented a brief summary of the visiting team's report on the accreditation of the University of Iowa. The report was divided into two parts: 1) a fixed format for conducting and reporting an institutional evaluation, and 2) comments on several matters by the visiting team, as if they were a group of outside educational consultants invited to look at the university. The summary and report are on file at the Board Office.

MOTION:

Mr. Brownlee moved the board accept the report on accreditation of the Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools for the University of Iowa. Dr. Harris seconded the motion and it passed unanimously.

The Board Office commended the university on its excellent evaluation.

B. Letter of Good Standing from the Association of American Law Schools.

The Board Office recommended the board accept a statement from the Association of American Law Schools pertaining to the College of Law.

It was noted that last April the board received a report on the accreditation of the University of Iowa Law School. At its June 1978 meeting, the executive committee of the Association of American Law Schools reviewed the inspection

report of the University of Iowa College of Law and the recommendations of the accreditation committee. On the basis of these reports, the executive committee adopted a resolution noting the inadequacy of the physical plant and continuing the good standing of the University of Iowa College of Law.

In absence of objections, President Petersen accepted the statement from the Association of American Law Schools for the board.

The Board Office congratulated the College of Law for a continuance of its good standing.

C. Certification of the Health Service Program at Iowa State University. The Board Office recommended the board accept the certification report of the American College Health Association's Survey Team for the Health Service Program at Iowa State University.

The Board Office reported that the team talked with most members of the Health Service staff and representatives of related areas, committees, and functions. Several separate sessions were held with students, including student government leaders, advisory committee, and open sessions. In May of this year, Iowa State was notified that the Committee on Certification has authorized certification of the health program at Iowa State University on a provisional basis. This certification was granted for one year, with the recommendation that review of the health program follow at that time to determine whether or not it be continued for the full five-year period.

The board was presented a summary prepared by the Board Office of the report's recommendations regarding various areas of the Iowa State University Health Service. This summary is on file at the Board Office.

Regent Wenstrand asked if the university has had positive student response to the certification recommendations. Vice President Christensen responded that such reactions are now evident whereas a year ago they were not.

In absence of objections, President Petersen accepted the certification report of the American College Health Association's Survey Team for the Health Service Program at Iowa State University.

D. Accreditation Report on the Doctorate in Industrial Technology at the University of Northern Iowa. The Board Office recommended the board accept the report of the North Central Association (NCA) regarding the Doctorate in Industrial Technology at the University of Northern Iowa.

The Board Office reported that at the board's March 1978 meeting, the board approved the degree of Doctor in Industrial Technology at the University of Northern Iowa, with the provision that the North Central Association approve the program before it was established at the institution. Following authorization by the board, the university requested a site visit with the North Central Association. The site visit was conducted on May 1-3, 1978. The three-person visiting team, which conducted the North Central visit, recommended that accreditation of the University of Northern Iowa be granted at the doctoral granting level, with the stipulation that programs beyond

the specialist degree-granting level be limited to the Doctor of Industrial Technology program; and that the enrollment of the doctoral students be deferred until a summary document is submitted to the commission which: 1) delineates the career fields to be included in the doctoral program and related need(s), 2) develops the content and objectives of the core courses in the doctoral program, and 3) expands and describes the field experience and field requirements for the doctoral degree; and that the next comprehensive evaluation be scheduled in three years, 1980-1981.

MOTION:

Dr. Harris moved the board accept the report of the North Central Association regarding the Doctorate in Industrial Technology at the University of Northern Iowa and extended congratulations to the university for receiving this approval. Mr. Bailey seconded the motion.

Regent Bailey noted that the Board Office stated that the three-person accrediting team recommended that accreditation of the university be granted at the doctoral granting level, "with the stipulation that programs beyond the specialist degree-granting level be limited" to the Doctor of Industrial Technology program. He asked for clarification of that language. President Kamerick responded by stating that the university only asked for accreditation of the Doctorate in Industrial Technology. If the institution would have other doctorate programs available in the future, the institution would need to seek accreditation for those, as well. Regent Bailey said the impression he received from the Board Office memorandum was that the University of Northern Iowa would be limited to one doctoral degree program. President Kamerick assured Regent Bailey that the phraseology was not intended to limit the number of future doctoral programs at the university.

VOTE ON MOTION:

The motion passed unanimously.

Regent Harris asked where the university stands with regard to its statement of mission. President Kamerick reported that the university's 1972 mission statement is now being reworked.

LEGISLATIVE PROGRAM. The Board Office reported that the Legislative Council has authorized the establishment of three study committees in the past month which are of interest to the board and its institutions.

The first study committee is a joint subcommittee to study the state mental health agency structure during the interim. The committee has been authorized a total of five meeting days. This committee was established because of the language of House File 2440 which abolishes the Mental Health Authority and the Mental Hygiene Committee effective July 1, 1979. The bill directed the establishment of a unified state mental health agency having broad responsibility both to plan, coordinate and review the delivery of mental health services in this state and directly deliver certain mental health services. The title, administrative structure and specific powers and duties of this unified state mental health agency shall be as prescribed by the 1979 Session of the 68th General Assembly. However, the Governor is permitted to delay implementation of this agency until July 1, 1980, if he determined that it would not be in the best interest of the state to implement the new agency on July 1, 1979. The bill also established a state mental health advisory

council consisting of 11 members appointed by the Governor. This advisory council shall exercise all functions and have all responsibilities set out under Public Law 94-73. The council shall consider and may make recommendations regarding the most desirable form of permanent organization for the unified state mental health agency. The charge of the joint interim subcommittee is primarily to address the question whether it is most desirable that the unified state mental health agency be permanently structured as: 1) a division of the Department of Social Services, 2) a new division of the State Department of Health, 3) a new state Department of Mental Health, or 4) an agency structured in some other manner recommended by the subcommittee.

The second study subcommittee of interest was reported to be a joint subcommittee of the Labor and Industrial Relations Committees charged with studying the matter of mandatory retirement. This committee has been allotted two meeting days during the interim. The committee was established because of the language of House Concurrent Resolution 132. The committee is going to examine the issues involved in possible state legislation relative to mandatory retirement on the basis of age and is going to hold public hearings in order to obtain the views of the public on these issues.

The third interim committee has been charged with examination of the public retirement systems in the state. Its specific charges contained in Senate Concurrent Resolution 112 are to: 1) determine a method to put all public employees under a single retirement system over a period of 20 years except for TIAA-CREF employees, 2) determine a method of hazardous pay remuneration for various occupations in which employees are exposed to unusual danger, and 3) determine the reasonable number of vested years of service for which employees will continue to retire under their present retirement benefit schedule and determine the minimum and maximum years of vested service for personnel within a system wherein the vested employee may choose to receive the IPERS-hazardous pay system or remain under the employee's present system and the conditions of transfer of funds of the employee's present retirement system.

The Board Office, with the assistance of the legislative liaison, will monitor the activities of these three study committees as well as any others which are authorized and of interest to the board.

Board members and institutional officials were then requested to forward any suggestions they might have for substantive legislative proposals to the Board Office as soon as possible in preparation for the formulation of the next legislative programs.

Board members and institutional executives were also reminded of the schedule of visits by the Legislative Education Visitation Committee to the institutions. It was noted that there evidently will not be a visit to the Iowa School for the Deaf by the committee. The schedule follows:

- Thursday, October 19 - Iowa Braille and Sight Saving School
- Monday, November 27 - Iowa State University
- Friday, December 8 - University of Iowa
- Friday, December 15 - University of Northern Iowa

SUMMARY OF THE SEPTEMBER IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION MEETING. The Board Office recommended the board approve the continuation of the Coordinating Council's reciprocity study and agree to provide the necessary expertise through the cooperation of the Regents universities.

The Iowa Coordinating Council for Post-High School Education held its first meeting of the current academic year on September 7, 1978. Highlights follow:

- . The ICC agreed to co-sponsor a meeting on experiential learning to be held in Des Moines on November 27-28.
- . The ICC approved a dues increase of \$25 per vote (the current dues will now be \$225 per vote). It was noted that the proposed budget for 1978-1979 is the operating budget for the Coordinating Council only and that additional funds will be needed if any special projects are undertaken.
- . The ICC heard a report on each of the five regional clusters participating in the Lifelong Learning project.
- . The ICC heard a report on the status of its Educational Information Center (EIC) proposal. This proposal has been submitted to the U.S. Office of Education. It is anticipated that the council will be notified by September 30 of the EIC grant.
- . The ICC heard a status report on its reciprocity study and decided to turn it back to the various sectors of postsecondary education in Iowa for their input as to whether the council should pursue the study of reciprocity any further.
- . The ICC heard a report on the new Iowa Student Loan Program and learned that the Iowa College Aid Commission plans to begin taking applications for the first loans (available for the 1979-1980) in May 1979.
- . The ICC accepted reports on new programs from the private colleges, the Regents' institutions, and the area schools. The area school proposals included a program at Iowa Western Community College in Council Bluffs for "Training Interpreter (Deaf)."

President Petersen asked for input on the reciprocity matter. She noted that the reciprocity matter seems to have come to a halt as far as academic expertise input is concerned. Regent Shaw said he didn't feel that there seemed to be a lot of enthusiasm to pursue the matter and suggested that if others felt the matter could be dropped, he would favor that. President Petersen commented that the purpose of the study was not one of enthusiasm but to be able to respond with some kind of independent information and data as to the effects of reciprocity and what they might be. She noted that the preliminary report certainly indicated that extended reciprocity was going to be to the detriment of the private sector in Iowa, although that indication was backed up by a limited amount of data.

September 21-22, 1978

Regent Harris asked if institutions could enter into reciprocity agreements independently on an individual basis. President Petersen said an official response is needed from the Coordinating Council. Regent Harris said he felt that the "official response" is that the board does not have a reciprocity policy.

Regent Harris inquired as to when the initial request for a reciprocity policy occurred. Mr. Richey said that a response was requested five years ago of the board. He stated he felt the board should give very serious attention to this issue of reciprocity as there is a definite inclination along the lines of reciprocity from other states. He noted that if the board didn't make a decision pertaining to reciprocity, someone else may do it for the board.

Mr. Barak said he hoped the board would pursue the idea of pursuing the study on reciprocity but he presumed that some funding will be necessary for same. It was noted that the chairman of the reciprocity group has gone to Washington, D. C., for a year and so there is now no person in charge of the matter. Mr. Richey said the Board Office staff may be able to devote some staff time to the reciprocity matter.

Regent Slife asked if other segments of the Coordinating Council's representative worked on the reciprocity matter. President Petersen said that the area schools have worked with a number of reciprocity agreements with students on an individual basis and those have been to the advantage of students. Some of the private institutions have some arrangements across the state's borders, also. She noted that they all, however, recognize the inherent problems in lack of understanding the ramifications of individual proposals. She said the private institutions are very apprehensive about reciprocity.

President Petersen then said she had no objections to allowing the Board Office to furnish additional staff time to assist in the Regents' commitment to work on reciprocity.

AFFILIATED ORGANIZATION ANNUAL REPORT - IOWA STATE UNIVERSITY MEMORIAL UNION.
The board was requested to accept the annual report of the Iowa State University Memorial Union.

As background, the Board Office reported that the Memorial Union at Iowa State University is a nonprofit corporation governed by a board of directors consisting of 12 students, 12 alumni, six faculty, and one Regent. It was noted that Regent Belin serves on the union's board of directors.

The report indicated that approximately 18,000 persons used union facilities during the past year with approximately 60 scheduled events and meetings also taking place there. President Petersen noted that the Iowa State Memorial Union celebrated its 50th year of service to the Iowa State community during the week of September 17, 1978.

The annual payroll of the union was noted to be about \$1,200,000, going to 100 full-time employees and 300 part-time employees.

The board was presented a statement of operating fund revenues and expenditures for the union for the years ending June 30, 1977 and 1978 as taken from the current financial report. It was noted that the full financial report has been audited by Peat, Marwick, and Mitchell as part of the firm's annual report.

In absence of objections, President Petersen accepted the annual report of the Iowa State University Memorial Union for the board.

REPORT ON MEETING OF IOWA COLLEGE AID COMMISSION (formerly Higher Education Facilities Commission). Regent Bailey reported that the Iowa Guaranteed Student Loan Program is in the process of selecting a director of that organization. Regent Bailey indicated that the guaranteed loans relate to loans made by institutions such as the universities as well as to loans made by banks and savings and loans or other financial institutions. He said the board may want to investigate that to see if it can use the loans to protect itself on the basis of those students who do not pay back.

Regent Bailey then commented on the Iowa Association for Lifelong Learning. He reported that the association request for a sum of money through the commission was denied due to the fact that the association is a private organization and due to a lack of support for the lifelong learning concept.

ANNUAL REPORT OF THE IOWA LAW ENFORCEMENT ACADEMY COUNCIL. The board was requested to accept the annual report of the Iowa Law Enforcement Academy Council.

The board was presented a report prepared by Professor Richard L. Holcomb, Director of the Bureau of Police Science at the University of Iowa. It was noted that Professor Holcomb has represented the Board of Regents on the Law Enforcement Academy Council for four years.

MOTION: Dr. Harris moved the board accept the annual report of the Iowa Law Enforcement Academy council. Mr. Bailey seconded the motion and it passed unanimously.

PERSONAL LEAVE - IOWA SCHOOL FOR THE DEAF/IOWA BRAILLE AND SIGHT SAVING SCHOOL. The Board Office recommended the board delete restriction on use of personal leave by faculties of the board's two special schools.

The Board Office reported that at its March 1978 the board adopted "Faculty Employment Provisions" and a pay plan for the special schools which required that "Personal leave shall be allowed only for general business which cannot be conducted outside of the working day."

The Board Office went on to recommend that, after consulting with the superintendents and other administrators at these schools, this caveat be dropped.

MOTION: Mr. Bailey moved the board delete restriction on use of personal leave by faculties of the Iowa School for the Deaf and the Iowa Braille and Sight Saving School. Mr. Brownlee seconded the motion and it passed unanimously.

BANKING COMMITTEE REPORT. Regent Barber provided the board with an oral report of the most recent Banking Committee meeting.

Items discussed by Regent Barber included:

- 1) administrative procedures of the John F. Murray Endowment Fund
- 2) board policy on employee payroll withholdings
- 3) safekeeping of securities
- 4) reconciliation of short-term, long-term and endowment reports
- 5) investment portfolio reports
- 6) the Elizabeth Annis Hutchinson Estate (It was noted that a law suit was filed and the courts decided that the heir who sued for extra stipend should be awarded same.)
- 7) bonding for Board Office employees
- 8) facsimile signatures

In absence of objections, President Petersen accepted the oral report on the Banking Committee meeting for the board.

REVISIONS IN BOARD OF REGENTS' PROCEDURAL GUIDE. The Board Office recommended the board approve: 1) deletion of Section 1.05, Procedural Guide, Business Officers' Committee; 2) deletion of Section 1.08, Procedural Guide, Committee on Purchasing Practices and Procedures; 3) addition of Section 4.12(I), Sick Leave Conversion to Vacation; and 4) changes in Section 7.13 (B), (C) and (E), Gifts and Grants.

The following explanations were provided for the recommendations noted above:

- 1) It was felt that the Business Officers' Committee is more properly considered as an administrative function of the institutions than a direct board function as it is composed of the chief business officers of the three Regents' universities and functions as a subcommittee of the budget preparation committee.
- 2) It was indicated that the Committee on Purchasing Practices and Procedures should continue to function, although not as a board committee. This committee is composed of the chief purchasing officers of each of the five Regents' units and the Board Office.

- 3) An Executive Order was issued on July 31, 1978 that provides for conversion of sick leave to accrued vacation. The order provides that all eligible employees who do not use sick leave for a full calendar month may have one-half day added to their accrued vacation account in lieu of adding one and a half days to accrued sick leave.
- 4) Several changes are needed to bring the Gifts and Grants section into conformity with current practice. Chiefly, the board's policy regarding institutional acceptance of federal grant monies needs to be more clearly articulated, as does the procedure for monthly reporting of gifts and grants. A section on federal funding needs to be added to explain the practice instituted by the State Comptroller.

MOTION: Mr. Wenstrand moved the board approve the recommended changes in the Board of Regents' Procedural Guide as noted above. Mr. Slife seconded the motion and it passed unanimously.

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

Appointment:

Lyle E. Sonnenschein, Budget Director, effective on or before October 2, 1978, at \$28,002 plus usual fringe benefits and moving allowance up to 10,000 lbs.

Change of Status:

Wallace C. Caldwell, from Budget Director to Associate Budget Director, no change in salary, effective June 23, 1978.

End of Appointment:

Robert L. Abel, Budget Analyst, resigned from permanent employment effective June 22, 1978. He was then appointed on a temporary emergency basis for 24 working days from July 18 to August 18, 1978.

Resignation:

Joan M. Huss, Secretary II, part-time, effective August 31, 1978.

Appointment:

Jo Ellen McGrane, temporary emergency appointment to the secretarial staff effective September 11, 1978, at \$4.34 per hour.

Mr. Richey reported that Mr. Sonnenschein was expected to start employment on September 26, 1978.

In absence of objections, President Petersen ratified the actions reported in the Board Office Personnel Register for the board.

INFORMATION ITEMS. President Petersen called board members' attention to the information items presented the board pertaining to: 1) Governor Ray's memorandum concerning the open meetings law, and 2) the 1978 National Trustee Workshop for the Association of Governing Boards.

NEXT MEETINGS.

October 5 (9 a.m.)	Iowa State University	Ames
October 18	Iowa State University	Ames
November 16-17	Iowa School for the Deaf	Council Bluffs
December 20-21	University of Northern Iowa	Cedar Falls
January 18-19	University of Iowa	Iowa City
February 15-16	Iowa State University	Ames
March 15-16	Des Moines	Des Moines
April 19-20	University of Northern Iowa	Cedar Falls
	Iowa Braille and Sight Saving School	Vinton
May 17-18	Iowa State University	Ames
June 21-22	University of Iowa	Iowa City

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

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Friday, September 22, 1978.

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

RESIGNATION. The board was requested to accept the following resignation:

Professor Gerald Rushton as Director of the University of Iowa Health Services Research Center effective June 30, 1978.

MOTION: Mr. Bailey moved the board accept the resignation of Professor Gerald Rushton as shown above. Mr. Wenstrand seconded the motion and it passed unanimously.

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

Professor G. Joseph Norwood as Director of the University of Iowa Health Services Research Center effective July 1, 1978, salary as budgeted.

MOTION: Mr. Bailey moved the board approve the appointment of Professor G. Joseph Norwood as shown above. Mr. Wenstrand seconded the motion and it passed unanimously.

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

Professor Richard Elardo as Director of the Early Childhood Education Center effective August 15, 1979, at a 12 month salary of \$22,200.

MOTION: Mr. Bailey moved the board approve the appointment of Professor Richard Elardo as Director of the Early Childhood Education Center effective August 15, 1979, at a 12 month salary of \$22,200. Mr. Wenstrand seconded the motion and it passed unanimously.

ANNUAL REPORT OF RESIGNATIONS. The board was requested to accept the University of Iowa's annual report on resignations.

The Board Office reported that during the period July 1, 1977, to June 30, 1978, 73 persons resigned from the university faculty. Of this number,

45 were assistant professors, 16 were associate professors, and 14 were full professors.

Vice President Brodbeck reported that the University of Iowa loses a great many of its faculty to private practice and industry as well as to other institutions due to better salary scales elsewhere. She noted that the university has lost many tenured professors for that reason.

President Boyd noted that the University of Iowa loses some faculty, too, due to retirement policies that are more desirable at other institutions. He reported that some universities make greater contributions for their employees than the University of Iowa does. President Petersen agreed with President Boyd by adding that contributions in the Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF) vary from university to university.

In absence of objections, President Petersen accepted the annual report on resignations for the University of Iowa on behalf of the board.

NAME CHANGES. The board was requested to approve the university's recommended name changes of the Center for Labor and Management to the "Management Center," and the designation of the labor education component of the Industrial Relations Institute as the "Labor Center."

The university reported that the program functions which have been a part of the Center for Labor and Management in the College of Business Administration have recently been reorganized. The labor education and industrial relations components of the center were placed in the Industrial Relations Institute, with only the management education program remaining in the center. This reorganization was based on the fact that the labor and management education programs were not closely related in function. In addition, it was desirable to provide better integration of the labor education program with the functions of the Industrial Relations Institute. The university added that the proposed name changes would more accurately reflect the current functions of the reorganized programs.

Regent Shaw asked if the proposed name changes may create some confusion as personnel matters will be associated with labor matters in the Management Center. In explanation, Vice President Brodbeck said that the labor program includes much more than just "labor" in that it involves personnel matters and negotiation matters as well. Labor education is, actually, just a subsection of the proposed "Management Center." The labor education program works very closely with credit unions in the state.

Regent Shaw reported that while he did not generally object to the concept of programs being included under a general heading, he felt the title would not attract persons due to their possibly not knowing what the program included. Vice President Brodbeck said that programs have historically developed clientele and with programs working together, that clientele

percentage should continue. President Boyd noted that the Industrial Relations Institute will be available to management as well as to labor components. The university's posture has been that the Labor Relations Institute should be within the university setup as are all continuing education programs.

MOTION: Mr. Brownlee moved the board approve the university's changing the name of the Center for Labor and Management to the "Management Center," and designating the labor education component of the Industrial Relations Institute as the "Labor Center." Mr. Bailey seconded the motion and it passed unanimously.

EDUCATIONAL PLACEMENT OFFICE FEE CHANGE. The board was requested to approve changes in fees charged by the Educational Placement Office effective for the current year as follows:

	<u>Current Fee</u>	<u>New Fee</u>
Registration Fee (including first 15 credential sets sent at candidates' request)	\$7.50	\$10.00
Each additional 15 credential sets sent at candidates' request	\$7.50	\$10.00

The university reported that the fee charged by the Educational Placement Office for registration for the placement year was increased in 1970 and the fee for additional credential sets over 15 was established in 1976. Substantial increases in costs of supplies, duplicating services, and postage have occurred since these fees were established. As a result, the portion of expenditures for supplies and services that is covered by fees has continued to decrease, and the general expense budget of the office has not been sufficient to cover the increased costs. The proposed change in fees would result in additional income of approximately \$7,200 annually, which would help to meet the cost increases.

Mr. Richey reported that the memorandum presented the board by the Board Office indicated that Iowa State University operates a decentralized placement service (each college has its own) and has no user fees. He indicated that statement was in error in that while Iowa State University does not have an overall placement service, some colleges have their own. None of them, however, have user fees. The University of Northern Iowa was reported to have a centralized placement service with a charge of \$7.00 up to the first 15 credential sets and charges (at the student's option) either \$7.00 for an additional 15 sets or \$1.00 per set of credentials.

MOTION: Mr. Wenstrand moved the board approve changes in fees charged by the Educational Placement Office as recommended for the University of Iowa. Mr. Slife seconded the motion and it passed unanimously.

APPOINTMENTS. The board was requested to approve the following appointments as departmental executive officers in the College of Liberal Arts for three-year terms effective August 28, 1978:

Norma P. Burke, as Chair, Department of Physical Education and Dance.

Gene M. Asprey, as Chair, Department of Physical Education: Field House.

MOTION: Mr. Slife moved the board approve the appointments as departmental executive officers in the College of Liberal Arts for three-year terms effective August 28, 1978 for Norma P. Burke and Gene M. Asprey. Mr. Bailey seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the month of September 1978 had been received by him, was in order, and recommended approval.

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

<u>Psychiatric Hospital East Ward Remodeling</u>	
Award to: Burger Construction Co., Iowa City, Iowa	\$ 95,894.00
<u>Psychiatric Hospital Emergency Power</u>	
Award to: Shay Electric Service, Inc., Iowa City, Iowa	\$ 48,988.00
<u>University Hospital - Emergency Medical Services Learning Resource Center</u>	
Award to: McComas-Lacina Construction Co., Inc., Iowa City	\$ 74,890.00
<u>University Hospitals -- General Hospital Fire Alarm Improvements</u>	
Award to: O'Brien Electrical Contractors, Inc., Iowa City	\$ 89,700.00
<u>Chemistry Building Electrical Feeder</u>	
Award to: O'Brien Electrical Contractors, Inc., Iowa City	\$ 33,165.00
<u>Hawkeye Court Apartments -- Repair Roofs, Phase III</u>	
Award to: West Branch Roofing Co., West Branch, Iowa	\$ 26,971.00

The following construction contracts were referred by the executive secretary to the board for approval as contract award could not be made within the approved project budget on either project:

<u>Hospital School -- Install Air Conditioning in Rooms 126 through 141</u>	
Award Recommended to: Jones Plumbing and Heating, Inc., Iowa City, Iowa	\$ 49,800.00

(The board was requested to approve a revised project budget totalling \$60,800.00 funded from a federal fund account for this project. This compared to the preliminary budget of \$39,000.00. The university explained

that approximately \$9,000.00 of the overrun is accountable due to expansion of the project to include four small rooms not included initially. Of the remaining \$10,800.00, \$5,000.00 will be covered in a deduct change order while the remaining \$4,800.00 is due to too conservative of an estimate particularly where mechanical work is concerned.)

University Hospital -- Roy J. Carver Pavilion -- Phase B Project
Award Recommended to: Knutson Construction Co., Coralville \$12,260,000.00

(The board was also requested to approve a revised project budget totalling \$13,818,720 which is \$2,683,720 over the preliminary budget. The increase in budget will come from University Hospital Building Usage Fund.

An analysis of the reasons for the increase was seen as due to:

- 1) The original program for the building reflected an area of 132,000 gross square feet. Detailed planning resulted in an additional 14,000 square feet required for the extensive public circulation for the building and refinement of mechanical spaces. The additional 14,000 square feet is estimated to cost \$1 million.
- 2) The architect indicated that about \$900,000 is due to a difference in an assumed inflation rate of 7% per year in the original budget as compared to the 11% per year included by the low bidder.
- 3) Alternate #1 is to add shelled-in space only on all levels totalling 23,721 gross square feet. This is space that was outside of the original program concept and was recommended for approval as part of the contract award because of the very favorable dollar cost to gain this additional space. The additional space can be gained at a cost of \$29.51 per gross square foot. It will probably cost about \$1 million at some point in the future to finish off this space.

Several other points were noted relative to the revised budget of Phase B of the Roy J. Carver Pavilion. First, the University Hospitals is committing the majority of its building usage funds for the next several years to this project at current accumulation levels. This will probably mean a slow-down in hospital reconstruction projects as all effort is put into this project. Secondly, the revised budget shows a change in the lines dealing with architectural services and with construction management, engineering testing and inspection. Architectural services line now reflects the contract approved by the board with Hansen Lind Meyer on the project which was for \$545,000. A maximum of \$599,720 for architectural services contemplates any additional charges for services rendered by the architect in drawing plans, specifications, etc., for the additional space bid as Alternate #1. In addition, the architect's contract provides for a maximum of \$40,000 in reimbursable expenses which is included in the construction management and engineering testing and inspection line of the budget. Third, it was noted that the construction cost, when adjusted to take the additional space being awarded out, shows about a 20.5% increase over the preliminary budget figure. About half of that increase, as noted above, is due to inflation, while the other half is due to a programming error. (The initial program had less corridor and circulation space than was found to be needed for a building of this scope.) The architect, however, recommended the acceptance of the low bid, as a projection into the future shows construction costs considerably higher based on any reasonable set of assumptions.

The following new projects were recommended for approval:

Kinnick Stadium Turf Repairs

Source of Funds: Intercollegiate Athletics -- Men \$ 15,150.00

(The university requested the board also ratify selection of Shive-Hattery and Associates, Iowa City, Iowa, for engineering services on an hourly rate basis not to exceed \$5,610.00.)

Parking Lot 26 Development

Source of Funds: Parking Operations Revenue \$ 32,300.00

(The university requested the board also ratify its selection of Shive-Hattery and Associates, Iowa City, Iowa, as engineer on the project. Maximum compensation including a topographical survey, construction management and engineering fees was set on an hourly rate basis not to exceed \$5,900.00.)

Hawkeye Court Apartments - Repair Roofs, Phase III

Source of Funds: Dormitory Improvement Reserve \$ 57,150.00
Physical Plant Department -- Engineer and Inspection Supervisor

(The Board Office noted that this contract has already been awarded on this project and award was accomplished for considerably less than the budgeted amount.)

University Hospitals and Clinics -- Emergency Medical Services

Learning Resource Center \$ 97,900.00

Source of Funds: University Hospital Building Usage Fund Account
University Architect's Office -- Architect and Inspection Supervisor

(This project has been awarded for approximately \$15,000 less than the budgeted amount for same.)

University Hospitals and Clinics -- General Hospital Fire Alarm Improvements

Source of Funds: University Hospital Building Usage Fund \$ 98,000.00
University Architect's Office -- Architect and Inspection Supervisor

University Hospitals and Clinics -- Fire Protection Improvements -- Fourth Floor General Hospital

Source of Funds: University Hospital Building Usage Fund \$ 82,500.00
University Architect's Office -- Architect and Inspection Supervisor

Macbride Hall -- Museum and Natural History Laboratory Ventilation -- Room 7

Source of Funds: University RR&A \$ 20,000.00
Physical Plant Department -- Engineer and Inspection Supervisor

Basic Science Building -- Remodel Room 2-322

Source of Funds: University RR&A \$ 14,100.00
Physical Plant Department -- Architect and Inspection Supervisor

Iowa Memorial Union -- Construct Two Restrooms

Source of Funds: University RR&A \$ 40,800.00
Physical Plant Department -- Engineer and Inspection Supervisor

Pharmacy Building Basement Air Conditioning

Source of Funds: University RR&A \$ 69,500.00
Physical Plant Department -- Engineer and Inspection Supervisor

Lighting Mormon Trek Boulevard and Hawkeye Apartment Drives
Source of Funds: Institutional Roads (Design & Construction) \$ 142,000.00

(The approved Board of Regents' Five-Year Institutional Road Program has a \$125,000 construction project scheduled for 1979. The project approval at this time will enable the university to get a head start on planning this project so that the project can be undertaken early next calendar year.)

The university requested ratification of its awards for architectural or engineering services on the following projects. All contracts were noted to be under \$25,000. In each instance, the Board Office received advance notification of institutional intent. The consultant contracts follow:

University Hospitals -- Radiology Simulator Remodeling

The board was requested to ratify a contract entered into with H. W. Marske and Associates, Bettendorf, Iowa, to do preliminary study and final design services at a maximum fee of \$4,100.

Audiology Hearing Rooms

The board was requested to ratify a contract entered into with Engineering Associates, Iowa City, Iowa, to provide preliminary study and final design services for a lump sum fee of \$1,500.

University Hospitals -- Truck Turn-Around at Loading Dock

The board was requested to ratify action to retain Hansen Lind Meyer, Iowa City, Iowa, to provide final design services at a lump sum fee of \$3,500.

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

The board was requested to ratify a contract entered into with Hansen Lind Meyer, Iowa City, Iowa, to provide contract administration and project quality control at a lump sum of \$3,800.

Psychiatric Hospital Sidewalk Construction

The board was requested to ratify selection of the engineering firm of Shive-Hattery & Associates, Iowa City, Iowa, to provide preliminary study, final design and site survey services on an hourly rate basis not to exceed \$1,400.

University Hospitals -- Neurosurgery Clinic Remodeling

The board was requested to ratify a contract entered into with R. Neumann & Associates, Iowa City, Iowa, to provide preliminary budget, final design services and site survey services for a fixed fee of \$9,845.

Materials Engineering Division Laboratory Alterations

The board was requested to ratify selection of Beling Consultants, Inc., Moline, Illinois, to provide preliminary study for a lump sum payment of \$1,300.

The board was also requested to approve a contract for engineering services with Stanley Consultants, Muscatine, Iowa, for the Chilled Water Plant Expansion -- Phase III project. The university noted some exceptions to the standard agreement. Total compensation for basic services and reimbursable expenses based upon a multiple of direct personnel expense with a fixed maximum shall not exceed \$125,000. This is a \$1,765,000 project funded from the hospital revenue bond sale.

MOTION:

Mr. Barber moved the board approve the Register of Capital Improvement Business Transactions for the month of September 1978; ratify contracts awarded by the executive secretary; approve the construction contracts recommended above; approve the revised or amended project budgets as shown above; approve the new projects; approve the transactions on approval of architects and engineers as shown above on the respective projects; approve the appropriate selection of the inspection supervisor responsibilities on the new projects; ratify and approve consultant contract awards; and authorize the executive secretary to sign all necessary documents. Mr. Bailey seconded the motion and it passed unanimously.

Mr. Richey noted that occasionally institutions recommend a contract just slightly over the proposed budget. Occasionally, the Board Office will make an award in such instances so that a project can be initiated, etc. He explained that the Board Office is very careful about maintaining the spirit of the board's policy on contract awards and that normally such award recommendations are referred to the board for award. He stated that he did not want to continue to make any awards in any such instances without the board being aware of this. There were no objections by board members to this procedure.

LEASE OF PROPERTY. The board was requested to approve a lease of property between the State Board of Regents and Marycrest College, Davenport, Iowa.

The university reported that the property is needed to continue the existing Social Work Training Center on the Marycrest College campus. The location of the center is advantageous to both the University of Iowa School of Social Work Program and to the Marycrest College Department of Social Welfare. The center coordinates practicum placement for students in the Master of Social Work Program. Part-time study opportunities are offered through the Quad-Cities Graduate Center under university auspices and through regular extension courses. Part-time study may be used to satisfy all but the campus residency requirement in the master's degree program.

The property involves office space in the amount of approximately 695 square feet in Petersen Hall. Term of lease is for one year commencing July 1, 1978, and ending at midnight on the 30th day of June, 1979.

Rental terms were stated to be that the tenant would agree to pay the landlord as rental for said term at \$231.00 per month, in advance, on the first day of each month thereafter during the term of this lease, for a full term rental of \$2,772.00.

MOTION:

Mr. Bailey moved the board approve the lease between the State Board of Regents and Marycrest College as described above. Mr. Shaw seconded the motion and on roll call the following voted:
AYE: Bailey, Barber, Brownlee, Harris, Shaw, Slife, Wenstrand, Petersen.
NAY: None.
ABSENT: Belin.
The motion carried.

LEASE OF PROPERTY. The board was requested to approve a lease of property between the State Board of Regents and Drake University.

The university reported that the property recommended for leasing is located at 2830 University Avenue and consists of 1,650 square feet of classroom and office space. Included in the lease would be janitorial service, all utilities (except telephone), and equipment rental and library privileges.

The term's lease would run for one year, commencing on the first day of July 1978 and ending at midnight on the 30th day of June, 1979.

The tenant agreed to pay the landlord \$793.41 per month, in advance, beginning on the first day of July 1978 for a full term rental of \$9,521.00. Rental payments will be charged to the University of Iowa property rental fund.

The property will be used for the instruction of applied social work practice and as a social work training center on the Drake University campus.

It was reported that in 1967 the Iowa School of Social Work changed its Master of Social Work Program from a two-academic-year program to a continuous 18-month program. In the fall of 1972, the continuous program was shortened to a 16-month program. Major changes for the initial change in the curriculum calendar were: 1) to meet demands for increasing graduate enrollment in the Iowa School of Social Work by developing a single placement rather than a double placement for student experience, and 2) to meet demands for making graduate social work education more accessible to persons from central Iowa. In order to accomplish the above, it was necessary to find adequate classroom and office space plus library facilities to use in Des Moines.

MOTION:

Mr. Bailey moved the board approve the lease of property by the State Board of Regents and Drake University as described above. Mr. Brownlee seconded the motion and on roll call the following voted:
AYE: Bailey, Barber, Brownlee, Harris, Shaw, Slife, Wenstrand, Petersen.
NAY: None.
ABSENT: Belin.
The motion carried.

LEASE OF PROPERTY. The board was requested to approve a lease of property between the State Board of Regents and Trinity Regional Hospital, Fort Dodge, Iowa.

MOTION:

Member Bailey introduced and caused to be read the resolution hereinafter set out entitled, "Resolution providing for a notice of hearing on proposed plans, specifications and form of contract for Renovation of West Campus High Pressure Steam System on the campus of the State University of Iowa and for a notice to contractors of bidding thereon." Member Bailey moved that said resolution be adopted, seconded by Member Shaw, and after due consideration thereof by the board, the president put the question, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Belin.

Whereupon the president declared the resolution duly adopted.

PURCHASE OF PROPERTY. The Board Office recommended the board approve purchase of a parcel from the city of Iowa City for a purchase price of \$39,000 as recommended by the university.

The university reported that the parcel recommended for purchase was titled "Urban Renewal Acquisition Parcel 95-5." Present owner of the property is the city of Iowa City. Total land area involves 12,000 square feet. The parcel recommended for purchase was designated for institutional development in the Urban Renewal Plan (as is the balance of Block 95), and the university has agreed to purchase this land subject to approval by the Regents and the Executive Council.

Purchase price was listed at \$39,000, based on an agreement dated November 18, 1971, between the city and the university, which provided for a purchase price of \$3.25 per square foot, subject to board and Executive Council approval. Funds for this purchase are available from unexpended balances of Income from Treasurer's Temporary Investments.

The property is located within general campus boundaries. Parcel 95-5 is the only parcel in Block 95 not owned by the university, and the entire block will be developed in a way to complement the south approach to the University Library.

MOTION:

Mr. Bailey moved the board approve purchase of property in Iowa City, Iowa, identified as Urban Renewal Acquisition Parcel 95-5 as described above. Mr. Shaw seconded the motion and on roll call the following voted:

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

NAY: None.

ABSENT: Belin.

The motion carried.

The university reported that the property is located on the first floor, east section, of Trinity East Hospital, consisting of 667.5 feet. The term of such lease would commence July 1, 1978, and would continue through June 30, 1979. Either party may terminate within 90 days written notice.

Rental rate for said property was agreed to be \$152.97 per month. All utilities would be furnished by the landlord. Source of rental payments will be the State Services for Crippled Children budget.

The university reported that the restructuring of the regional consultant field program for State Services for Crippled Children called for the location of a regional consultant in Fort Dodge. Fort Dodge was chosen because it is central to Office for Planning and Programming Area 5 and provides easy access to the other major areas of the State Services for Crippled Children field program in the northwest quadrant of the state. In order to accomplish the regional consultants' functions, regional consultants meet with a large number of community agencies, volunteer groups, citizens, etc., on a weekly or daily basis. The regional consultant's office in Fort Dodge is located in Trinity East Hospital since it is immediately adjacent to a number of health planning organizations in that area.

MOTION:

Mr. Bailey moved the board approve a lease of property with the State Board of Regents and Trinity Regional Hospital in Fort Dodge, Iowa, as described above. Mr. Shaw seconded the motion and it passed unanimously. On roll call the following voted:
AYE: Bailey, Barber, Brownlee, Harris, Shaw, Slife, Wenstrand, Petersen.
NAY: None.
ABSENT: Belin.
The motion carried.

RESOLUTION OF PUBLIC HEARING. The board was requested to adopt a resolution setting a public hearing by the board on proposed plans, specifications and form of contract for Renovation of West Campus High Pressure Steam System for 11:00 a.m. Central Daylight Time, October 18, 1978, on the campus of the State University of Iowa and for a notice to contractors of bidding thereon.

It was noted that this is a \$555,000 project funded from sale of academic revenue bonds in 1977. The project completes the steam loop on the west side back to the fine arts campus and then back to the east campus and gives the entire system the capacity of handling 160 PSIG steam. The resolution sets the date of October 19 for the receipt of bids on the project.

STATE UNIVERSITY OF IOWA
September 21-22, 1978

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

TOUR OF STATE HYGIENIC LABORATORY. Board members were provided an opportunity to tour the State Hygienic Laboratory for the remainder of the afternoon.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Friday, September 22, 1978.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of August 1978 were ratified by the board.

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

Maurice A. Larson as Distinguished Professor and Chairman of the Department of Chemical Engineering. This appointment as Chairman is to be effective for the period September 1, 1978 through June 30, 1983. Salary \$41,520 per year on 12 months' basis, plus fringe benefits.

MOTION: Mr. Bailey moved the board approve the appointment of Maurice A. Larson as shown above. Mr. Brownlee seconded the motion and it passed unanimously.

APPOINTMENT. The board was requested to approve the appointment of William M. Shewchuk as shown below:

William M. Shewchuk, Professor and Chairman of Naval Science and Tactics, effective September 1, 1978. Salary from the United States Navy (rank of Captain). This appointment to academic rank is effective only during the period that Captain Shewchuk is assigned to Iowa State University by the United States Navy. Captain Robert J. Looby, Professor and Head of Naval Science and Tactics, retired from the United States Navy effective August 31, 1978.

MOTION: Mr. Bailey moved the board approve the appointment of William M. Shewchuk as shown above. Mr. Brownlee seconded the motion and it passed unanimously.

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

Lennox N. Wilson as Professor and Acting Head of Aerospace Engineering effective September 1, 1978, through June 30, 1979. Dr. Wilson will serve as acting head during the period that Dr. Robert Brodsky, Head of Aerospace Engineering, accepts an Interpersonnel Exchange Act contract with Hughes Aircraft Company. Dr. Wilson will return to his professorship July 1, 1979. Salary \$37,850 per year on 12 months' basis, plus fringe benefits.

MOTION: Mr. Bailey moved the board approve the appointment of Lennox N. Wilson as Professor and Acting Head of Aerospace Engineering effective September 1, 1978, through June 30, 1979, as shown above. Mr. Brownlee seconded the motion and it passed unanimously.

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

Julia M. Anderson as Associate Dean, College of Home Economics, and Professor and Chairman of the Department of Home Economics Studies. This appointment as Chairman is to be effective for the period September 1, 1978, through August 31, 1983. Salary \$38,650 per year on 12 months' basis, plus fringe benefits.

MOTION: Mr. Bailey moved the board approve the appointment of Julia M. Anderson as shown above. Mr. Brownlee seconded the motion and it passed unanimously.

ANNUAL REPORT OF RESIGNATIONS AND LEAVES OF ABSENCE. The board was requested to accept the annual report of resignations and leaves of absence for Iowa State University.

The Board Office reported that during the period July 1, 1977, through June 30, 1978, 60 persons resigned from the Iowa State University faculty. Of these 60 persons, 33 were assistant professors, 17 were associate professors, and 10 were full professors.

The Board Office reported that this year's resignations at Iowa State University were the highest in the last three years. Vice President Christensen reported that this was due to salary competition by other agencies/institutions.

Also, Iowa State University reported that it is seeking leaves of absence without pay for 28 faculty members.

In absence of objections, President Petersen accepted the annual report of resignations and unpaid leaves of absence at Iowa State University on behalf of the board.

AREA EXTENSION OFFICE LEASE - CEDAR RAPIDS. The board was requested to grant approval of a three-year lease with the Grant Wood Area Education Agency at Cedar Rapids for office space located at 4401 Sixth Street, S.W., in Cedar Rapids, Iowa.

The university reported that the Cedar Rapids Area Extension Office has been in its present location since January 1, 1970. The lease was last executed for a two-year period from July 6, 1976, at \$5.11 per square foot which included \$1.80 per square foot to reimburse lessor for improvements made at the university's request.

The proposed lease provided for the same space and services at a rental rate of \$3.50 per square foot. The university felt that the proposed rate is well below that for comparable space in the Cedar Rapids area. Rent includes ample parking, heat, air conditioning, water and janitor service.

MOTION:

Mr. Bailey moved the board approve a three-year lease with the Grant Wood Area Education Agency of Cedar Rapids for office space located at 4401 Sixth Street, S.W., in Cedar Rapids, Iowa, as identified above. Mr. Wenstrand seconded the motion and on roll call the following voted:

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

NAY: None.

ABSENT: Belin.

The motion carried.

SHELBY-GRUNDY SOIL AREA EXPERIMENTAL ASSOCIATION -- EXTENSION OF MEMORANDUM OF UNDERSTANDING. The university requested the board approve Amendment No. IV extending the present agreement between Shelby-Grundy Soil Area Experimental Association and Agriculture and Home Economics Experiment Station for five years.

The university reported that the original memorandum of understanding with the Shelby-Grundy Soil Area Experimental Station was dated March 1, 1959 and leased to the Agriculture and Home Economics Experiment Station one-half section of land in Ringgold County for a period of five years. This memorandum was extended in 1964, 1968, and 1973.

Since a similar memorandum of agreement extension had not appeared in the university's docket during the past year, a copy of the original document was presented the board for information. This document is on file at the Board Office.

MOTION:

Mr. Bailey moved the board approve Amendment No. IV extending the present agreement between Shelby-Grundy Soil Area Experimental Association and Agriculture and Home Economics Experiment Station for five years. Mr. Barber seconded the motion and on roll call the following voted:

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

NAY: None.

ABSENT: Belin.

The motion carried.

AREA EXTENSION OFFICE LEASE -- DES MOINES. The board was requested by Iowa State University to approve a revised lease between the United Federal Savings and Loan Association of Des Moines and the State Board of Regents.

The university reported that in July of 1978 the board approved a three-year lease for the Des Moines Area Extension Office for space in the United Federal Mart Building in Des Moines.

The landlord, United Federal Savings and Loan Association, requested that an escalation clause be added to the lease. However, the landlord has agreed, instead, to the same lease that was part of the docket exhibit in July of 1978 if the following sentence is deleted from paragraph three:

This lease may, at the option of the Lessee, be renewed for a period of three years upon the same conditions as herein stated, provided however the Lessee tenders a written notice to Lessor of his intention to renew at least 60 days before the expiration of the above-mentioned term.

The institution reported that a new lease must then be negotiated by September 30, 1981, if the office is to remain there.

The board was presented a copy of the revised lease.

MOTION:

Mr. Slife moved the board approve the revised Area Extension Office lease between the United Federal Savings and Loan Association of Des Moines (located in the United Federal Mart Building) and the State Board of Regents as noted above. Mr. Bailey seconded the motion and on roll call the following voted:

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

NAY: None.

ABSENT: Belin.

The motion passed.

REPORT ON FIRE DAMAGE AT PHYSICAL PLANT. The board was requested to accept a report on fire damage of the university heating plant on August 25, 1978. Upon acceptance of the report, a claim would be filed with the State Executive Council for reimbursement under the state self-insurance program.

The university provided the board information on a fault which occurred in the 4160 volt switchgear at the university heating plant on August 25, 1978. The electrical fire destroyed a portion of the south half of the switchgear. This loss will require the replacement of one bus tie, one frequency controller, four generator sections and five feeder sections.

The university stated that the switchgear, which was installed in 1950, was examined during the last year to determine by use of an infrared detector that all joints were tight. The results of this test, along with visual inspection, indicated that the switchgear was in satisfactory operating condition. Brown Engineering Company of Des Moines, Iowa, and the manufacturer of the equipment, Allis-Chalmers, have both examined the switchgear after the fire, and the conclusion drawn was that due to the complete destruction in the area of the fault, the exact cause of the fire will likely never be exactly determined. The probable cause was the deterioration in the insulation of the bus or one of the circuit breakers.

The Board Office pointed out that the Register of Capital Improvement Business Transactions for Iowa State University contained a project entitled "Utilities - 4160 Volt Switchgear Replacement" which had an estimated cost of \$380,000, of which \$230,000 would be funded through the Executive Council allocation. The rest of the project involves total replacement of the 4160 volt switchgear, but since only a certain portion was destroyed in the fire, it was determined that the remainder of the replacement should come from another source of funds.

In absence of objections, President Petersen accepted the report on fire damage at the university Physical Plant for the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the period of July 22 through September 22, 1978, had been received by him, was in order, and recommended approval.

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

Utilities -- Chilled Water System Addition -- 1977 -- Division 3 --
Structural Alterations and Division 4 -- Mechanical Erection
Award to: Baker Mechanical, Inc., Des Moines, Iowa \$ 387,000.00

Maple-Willow-Larch Commons -- Masonry Parapet Repair
Award to: Western Waterproofing, Inc., West Des Moines, Iowa \$ 26,975.00

(The board was informed at its July meeting that no bids were received on the published date for bid opening of July 6, 1978, and the board then authorized Iowa State to negotiate a contract with a qualified contractor on this project. The irregularity was that the contract award required a \$5,000 increase in the project budget previously approved by the board. The executive secretary waived this irregularity and approved the \$5,000 increase in project budget because of the need to complete the work before winter to prevent further damage to the structure and the interior spaces below. It was noted that the budget approved in May of 1978 was listed as an estimated cost.)

Swine Nutrition Research Center -- Finishing Unit Remodeling
Award to: J. P. Gannon Construction, Ames, Iowa \$ 34,320.00

(Upon the request of the university, the executive secretary awarded this contract and approved, subject to board ratification, an increase in the project budget. The university indicated that this project involved moving of live-stock outside during construction. To avoid as many winter problems as possible, the university asked the assistance of the executive secretary in making this contract award as soon as possible. Source of funds is the Swine Farms account.

Music Building Project

The Board Office reported that in a telephone poll of the board on August 21, 1978, the following construction contracts on the Music Building were awarded:

Vulcan Construction Co., Des Moines, Iowa (General)	<u>\$3,340,200.00</u>
Air Conditioning, Inc., Ames, Iowa (Mechanical)	<u>\$ 541,950.00</u>
Meisner Electric, Inc., Newton, Iowa (Electrical)	<u>\$ 216,500.00</u>
Systems Management and Balancing, Inc., Des Moines, Iowa (Balancing and Testing)	<u>\$ 5,260.00</u>

The board was requested to ratify and formalize its action of August 21, as acted on by seven board members (Regents Harris and Shaw were not available for the poll).

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

Maple-Willow-Larch Commons -- Masonry Parapet Repair

Source of Funds: Dormitory Improvement Fund	<u>\$ 30,000.00</u>
---	---------------------

(This budget was presented for ratification following approval by the dormitory administration and the university.)

Swine Nutrition Research Center -- Finishing Unit Remodeling

Source of Funds: Swine Farms Account (Original project budget: \$25,400.00)	<u>\$ 36,820.00</u>
--	---------------------

Music Building Project

Source of Funds for the increase: Plant Funds Unallocated (Original budget: \$3,795,000)	(\$ 17,350.00)	
	Facilities Endowment (750,000.00)	<u>\$ 4,562,350.00</u>

(It was noted that state funding for this project which totalled \$3,795,000 is supplemented by non-state appropriated funds available to the university. There is some work still to be done to negotiate a number of modifications to the bidding documents which will result in credits to the project budget. There are also a number of change orders to be negotiated and approximately \$92,338 is reserved for those change orders in the budget. The remaining required funds are provided from the Facilities Endowment Fund which is supported from time to time by additions from the university's interest earnings on non-state funds and by gift funds. The university noted that a number of alumni and friends of Iowa State University have indicated their willingness to make contributions in order to make this building a reality. When those gift funds are received, they will be reported to the board by revision of the project budget which will show a reduction in the amount of funding from the Facilities Endowment Fund as made possible by the Music Building gifts.)

Utilities -- Chilled Water System Addition -- 1977

Source of Funds: 67th G.A. Academic Revenue Bonds	<u>\$ 2,655,000.00</u>
---	------------------------

The following new projects were recommended for approval:

Car Pool Office Building -- Wash Bay Addition

Source of Funds: University Car Pool Account \$ 38,000.00
Physical Plant Department -- Engineer

Utilities -- Southeast Campus -- Primary Cable Replacement

Source of Funds: Overhead Reimbursement for Use of Facilities \$ 102,500.00
(\$90,000.00)
Dormitory System Improvement Fund
(\$12,500.00)

Physical Plant Department -- Engineer

Utilities -- 4160 Volt Switchgear Replacement

Source of Funds: Executive Council Allocation \$ 380,000.00
(\$230,00.00)
Overhead Reimbursement for Use of Facilities
(\$150,000.00)

Brown Engineering, Inc., Des Moines, Iowa -- Engineer

Utilities--Manure Handling Systems

Source of Funds: Physical Plant Equipment Rental \$ 60,000.00

(Under this project, the university will construct a hopper and conveying system which will handle bedding and manure from the College of Veterinary Medicine and mix that material with coal to be burned in the university's heating plant. The BTU content of the material is such that the university will realize fuel savings of approximately \$30,000 per year at current fuel costs.)

Animal Science Teaching Farm -- Teaching Laboratory

Source of Funds: Plant Funds Unallocated \$ 30,000.00
Agricultural Engineering Services -- Engineering and
Inspection Services

The university presented the following concerning consultant contracts:

Library Addition -- Phase I

The university requested the board grant it authorization to negotiate for architectural services for Library Addition -- Phase I. The Iowa State University Foundation has agreed to advance funds to permit the preparation of schematic plans for both Phase I and Phase II of the library addition and to proceed to design development on the Phase I project. Phase I involves the addition of new space south of the existing library while Phase II includes remodeling within the present library as well as additional new space. Phase I is a part of the capital askings list.

Communications Building

At the July board meeting, the board granted permission for the university to seek outside architectural services for an addition to the Communications Building. That contract has now been negotiated and approved with Rudi/Lee/Dreyer and Associates, Ames, Iowa. Compensation shall be on a multiple of direct personnel expense with a fixed maximum and total compensation for basic services reimbursable expenses shall not exceed \$23,000. This amounts to 6.6% of total project costs of \$350,000. Source of funds is WOI-TV revenue.

President Petersen noted that she has become aware of a possible conflict of interest situation with the employment of Rudi/Lee/Dreyer and Associates on this project. It was reported that Mr. Norman Rudi had been an Iowa State University staff member on a part-time basis the past four to five years and officially resigned this past spring. Vice President Moore reported that Mr. Rudi requested his firm be permitted to provide outside architectural services on this project on the basis of competence rather than his former relationship with the university. Vice President Moore said the university treated the firm in a fair, equitable fashion with respect to the contract award.

Regent Bailey commented that there is a federal rule in some agencies that requires a person to have terminated employment for two years before rehire for employment on another behalf. He said he did not feel there was a rule on the state level in that regard.

Mr. Richey then read Section 10.11 D. of the Procedural Guide which follows:

No person who has served as an official or employee of a state agency shall within a period of two (2) years after the termination of such service or employment appear before such state agency or receive compensation for any services rendered on behalf of any person, firm, corporation, or association in relation to any case, proceeding, or application with respect to which any person was directly concerned and in which he personally participated during the period of his service or employment. (Code 68B) [Emphasis added.]

President Petersen reported that the above quote from the Procedural Guide clarified the issue to alleviate any conflict of interest, as Mr. Rudi was not directly concerned with the Communications Building during the term of his employment with the university.

Regent Wenstrand then asked for a division of the motion. The request being granted, the board proceeded as follows:

MOTION:

Mr. Slife moved the board approve the Register of Capital Improvement Business Transactions for the period of July 22 through September 22, 1978; ratify contract awards made by the executive secretary with the exception of the Swine Nutrition Research Center -- Finishing Unit Remodeling project; approve the new projects; approve the revised or amended project budgets as shown above; approve the transactions on approval of architects and engineers as shown above on the respective projects; approve the appropriate selection of the inspection supervisor responsibilities on the new projects; and authorize the executive secretary to sign all necessary documents. Mr. Bailey seconded the motion and it passed unanimously.

MOTION:

Mr. Slife moved the board ratify award of contract on the Swine Nutrition Research Center -- Finishing Unit Remodeling project which was made by the executive secretary, as well as approve a revised project budget for same. Mr. Bailey seconded the motion and the motion carried with Mr. Wenstrand abstaining.

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Friday, September 22, 1978.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes were recommended for ratification and approval. Specific attention was called to the following appointment:

Mrs. Carol B. Warner, lecturer in the Department of Business Education, to teach an evening class for the second nine weeks of the fall semester.

The university reported that Mrs. Warner, who is the wife of the head of the Department of Business Education, consented to teach this evening course after a prolonged search failed to provide for this staffing need in the Department of Education. Special board approval was requested, as this appointment involved nepotism. It was noted that Mrs. Warner is extremely well qualified for the appointment. Appreciation was extended to Mrs. Warner for her willingness to help the institution during a difficult enrollment and recruitment period. During her appointment, Mrs. Warner will be supervised directly by Dean Robert Morin.

MOTION: Mr. Bailey moved the board approve the appointment of Mrs. Carol B. Warner and ratify the actions reported in the Register of Personnel Changes for the University of Northern Iowa. Mr. Wenstrand seconded the motion and it passed unanimously.

OTHER PERSONNEL TRANSACTIONS. The following transactions were recommended for approval:

A. Change of Status

Dr. Roger Kueter, Associate Professor, to Associate Professor and Acting Head, Department of Curriculum and Instruction, effective at the beginning of the fall semester, 1978. Salary \$21,876.00 (academic year).

Dr. Jerrold Pritchard, Associate Professor (School of Music), to Associate Professor (School of Music) and Acting Director of Individual Studies Program, effective August 15, 1978. Salary \$18,850.00 (academic year).

B. Appointment

Dr. Walter L. Bishop, Associate Professor and Head, Department of School Administration and Personnel Services, effective August 1, 1978. Salary \$26,000.00 (academic year).

MOTION: Mr. Bailey moved the board approve the transactions that involve Dr. Roger Kueter, Dr. Jerrold Pritchard, and Dr. Walter L. Bishop. Mr. Brownlee seconded the motion and it passed unanimously.

ANNUAL REPORT OF RESIGNATIONS AT THE UNIVERSITY OF NORTHERN IOWA. The board was requested to accept the annual report of resignations at the University of Northern Iowa.

The Board Office reported that from July 1, 1977 through June 30, 1978, 23 faculty members resigned from the University of Northern Iowa. Of these, four were instructors, ten were assistant professors, seven were associate professors and two were full professors.

It was noted that this year's resignations at the University of Northern Iowa were the lowest number in the last three years. In two previous years, there were 27 and 31 resignations, respectively.

MOTION: Mr. Barber moved the board accept the annual report of resignations at the University of Northern Iowa. Mr. Bailey seconded the motion and it passed unanimously.

NAMING OF BUILDING. The University of Northern Iowa requested the board name the north building of the Speech/Art Complex, the "Communication Arts Center."

Dean Margarette F. Eby, College of Humanities and Fine Arts, reported that the term "Speech/Art Complex" came into being a number of years ago as a designation for a proposed three-building, U-shaped, connected complex. Since that time, two of the three buildings have been completed. One has been named Strayer-Wood Theatre; the other, the north building of the complex, is yet unnamed. The third unit, yet to be constructed, will be named following its completion.

MOTION: Mr. Brownlee moved the board approve the institutional recommendation to name the north building of the Speech-Art Complex the Communication Arts Center. Mr. Slife seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the period of July 11 to September 11, 1978, had been received by him, was in order, and recommended approval.

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

<u>Regents' Complex -- Skyway Exterior Renovations</u>	
Award to: Charles Mauser & Sons, Inc., Waterloo, Iowa	<u>\$31,337.00</u>

Underground Steam Loop No. 1

Award to: Oscar D. Hansen & Son, Inc., Cedar Falls, Iowa \$176,366.00

Redeker Center -- Remodel Administrative Offices

Award to: Paul G. Christensen Construction Co., Inc.,
Waterloo, Iowa \$ 38,375.00

Arts and Industries Building Reroofing

Award to: Wendell Lockard Construction Co., Waterloo, Iowa \$ 47,043.00

1978 Campus Sidewalks

Award to: Dale J. Clark Contracting Co., Waterloo, Iowa \$ 5,938.75
(Proposal A)

Dale J. Clark Contracting Co., Waterloo, Iowa \$ 12,090.60
(Proposal B)

Paul Grigg Construction Co., Hudson, Iowa \$ 12,588.20
(Proposal C)

The following revised or amended budget was presented for approval:

1978 Roof Repairs

Source of Funds: Dormitory Improvement Fund (\$48,000) \$210,500.00
Building Repairs (\$162,500)

The Board Office requested the university to submit a consolidated budget entitled "1978 Roof Repairs" encompassing the projects: Campbell Dining Hall Roof Repairs; Gilchrist Hall Roof Repairs; Price Laboratory School, Science Building and Library Roof Repairs; Arts and Industries Building Roof Repairs. The combined budget showed a reduction of \$24,500 in RR&A funds needed for this project. The board was reminded that three other roofing projects are currently unfunded totaling \$213,000 from state funds and there are also two dormitory projects totaling \$190,000 which had to be deferred because of other high priority needs for those funds in the dormitory system.

University action was presented for ratification involving the employment of Gilmore & Doyle, Engineers, Waterloo, Iowa to prepare a study with respect to the heating, ventilation, air conditioning and related sound problems of Russell Hall. Maximum compensation is \$4,000 and is based upon a multiple of direct personnel expense with a fixed maximum.

MOTION:

Mr. Barber moved the board approve the Register of Capital Improvement Business Transactions for the period of July 11 to September 11, 1978; ratify award of construction contracts as approved by the executive secretary as shown above; approve the revised project budget as shown above; ratify institutional action employing the engineering firm of Gilmore & Doyle as shown above; and authorize the executive secretary to sign all necessary documents. Mr. Brownlee seconded the motion and it passed unanimously.

REPORT ON COURT DECISION: JOHN WALTON, ET AL. The board was requested to accept the University of Northern Iowa's report on the Black Hawk County District Court Decision in the case of John Walton et al. versus the Board of Regents' Merit System Coordinator.

The Board Office reported that in a decision dated August 4, 1978, the Black Hawk County District Court denied the petition of John Walton and several other university Physical Plant employees for a judgment requiring arbitration of their grievance on pay. The merit coordinator refused to arrange for arbitration on the grounds that the grievance concerned the general level of wages, a subject that is specifically excluded in the Merit Rules from the grievance process. His decision was appealed to and affirmed by the board in December, 1972. The court upheld that decision in a ruling which taxed costs to the plaintiffs.

The Board Office has the full text of the court decision on file.

In absence of objections, President Petersen accepted the report on the court petition filed April 15, 1975, for declaratory judgment requesting a ruling that the Iowa Departmental Rules of the board require submission of a university Physical Plant Department grievance pertaining to general wage levels to arbitration.

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Friday, September 22, 1978.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the months of July and August 1978 were ratified by the board.

AGREEMENT WITH IOWA WESTERN COMMUNITY COLLEGE -- INTERPRETER TRAINING FOR THE DEAF PROGRAM. The Board Office recommended the board authorize the executive secretary to execute a proposed agreement on behalf of the Iowa School for the Deaf with Iowa Western Community College, where Iowa School for the Deaf agrees to provide facilities and practicum experience for students in the Interpreter Training for the Deaf Program at Iowa Western Community College, upon receipt of appropriate indemnity coverage.

The proposed agreement stated that Iowa Western Community College students would attend sign language classes and/or labs and practicum experience at the Iowa School for the Deaf under the instruction and supervision of Iowa Western Community College faculty with the assistant superintendent coordinating Iowa School for the Deaf involvement. Although no fees would be charged the college for the use of these facilities, the Iowa School for the Deaf's faculty members and employees who participate in a similar "on the job" training program taught by the school's instructor, would be given college credit for that course by the college without the payment of usual fees.

It was noted that the proposed agreement did not provide any comprehensive liability insurance covering the Iowa School for the Deaf, the Board of Regents or the state of Iowa, protecting them against the acts or omissions of the college students or faculty while on the Iowa School for the Deaf campus. The Board Office has asked the college for either such insurance protection or a provision in the contract wherein the college would agree to indemnify and save harmless Iowa School for the Deaf, Board of Regents, and the state for any acts or omissions of its students or faculty while on the institutional campus. Upon the college's agreement to such provision, it was recommended that the contract be executed by the executive secretary of the board.

MOTION:

Mr. Slife moved the board authorize the executive secretary to execute the proposed agreement on behalf of the Iowa School for the Deaf with Iowa Western Community College where Iowa School for the Deaf agrees to provide facilities and practicum experience for students in the Interpreter Training for the Deaf Program at Iowa Western Community College, upon receipt of appropriate indemnity coverage. Mr. Barber seconded the motion and it passed unanimously.

AGREEMENT WITH UNIVERSITY OF ARIZONA. The Board Office recommended the board authorize the superintendent of the Iowa School for the Deaf to execute an agreement between Iowa School for the Deaf and the University of Arizona for providing coordinated clinical, educational, research and public service programs for the education and training of students, interns and others enrolled at the university.

It was reported that the University of Arizona wishes to send one of its students to the Iowa School for the Deaf to complete a practicum requirement for course study. In return for room and board, the student will provide counseling and other services to the Iowa School for the Deaf. No fees will be charged by either party. The proposed agreement was noted to be of a standard form with modifications to require complete insurance protection and reflects that it is an agreement between instrumentalities of different states.

MOTION:

Mr. Slife moved the board authorize C. Joseph Giangreco, Superintendent of Iowa School for the Deaf, to executive an agreement with the University of Arizona as described above. Mr. Brownlee seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. There were no items on the Register of Capital Improvement Business Transactions for the months of July and August 1978.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Friday, September 22, 1978.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the months of July and August 1978 were ratified by the board.

CERTIFICATION OF FACULTY AND ADMINISTRATION. The board was requested to approve a request for Iowa Braille and Sight Saving School to pursue a plan of action which will ensure that all professional staff at the school will hold proper certification for their teaching assignments by fall of 1981. The board was also requested to approve the institution's request that the administration be permitted and encouraged to negotiate with any of the state universities to offer in-service training for credit or specific course content in teaching the visually-impaired.

The Board Office reported that early this summer Superintendent DeMott and representatives from the Board Office met with staff from the Department of Public Instruction to discuss the 26 faculty and administrative staff who, at that time, were cited by the department as having failed to meet some endorsement and approval standards for their specific assignments or duties. These discussions resulted in a lessening of the number of staff certification requirements. During the summer, a representative of the Department of Public Instruction visited the institution and reviewed every staff member's certification. The persons noted in the institution's report were found wanting in their certification requirements as a result of the summer certification review.

Superintendent DeMott said that, despite appearances of improving the certification situation at the school, there are still problems due to some resignations. He noted that the school is looking at ways to address those problems.

The Board Office reported that its staff is willing to assist Superintendent DeMott in attempting to provide the necessary in-service training for the institution's staff. President Petersen commended the school for the spirit in which this problem has been attacked and its willingness to comply with certification requirements.

MOTION:

Mr. Harris moved the board approve Iowa Braille and Sight Saving School's request to pursue a plan of action which will ensure that all professional staff at the school will hold proper certification for their teaching assignments by fall of 1981 and that the school's administration be permitted and encouraged to negotiate with any of the state universities to offer in-service training for credit or specific course content in teaching the visually-impaired. Mr. Bailey seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. There were no items on the Register of Capital Improvement Business Transactions for the months of July and August 1978.

USE OF FACILITIES -- REQUEST FOR APPROVAL OF EXTENDED USE OF SWIMMING POOL FACILITIES BY VINTON AQUATIC CLUB. The board was requested to approve an agreement for 1978-1979 authorizing the Vinton Aquatic Club to use the Iowa Braille and Sight Saving School's swimming pool and locker room areas from 5:45 p.m. to 9:15 p.m. each Thursday from October 5, 1978, through December 7, 1978, with the exception of November 23 plus three Sundays and special early morning workouts on selected days.

The agreement proposed was reported to correspond to the 1977-1978 agreement. Fee for the club's usage was set at \$252.00 for the Thursday use and the three Sundays indicated in the agreement. The club will provide the school with a comprehensive liability insurance policy with bodily injury limits of \$300,000 and \$50,000 for property damage before using the facilities.

The agreement recognized that the pool may be closed for renovation prior to the last date of usage (December 7, 1978) and if so, the club will be allowed to request a cash rebate on an hourly basis for the lost time.

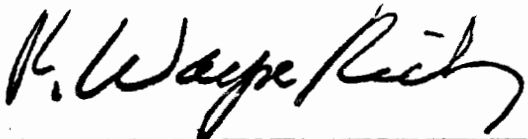
The Board Office noted that the firm of Thorson-Brom-Brosnar-Snyder, Architects, Waterloo, Iowa, is now drawing plans and specifications to undertake a \$300,000 pool renovation and addition project. It is hoped that this project can be initiated in late fall and completed by the beginning of the 1979 school year.

MOTION:

Mr. Barber moved the board approve an agreement with the Vinton Aquatic Club for the 1978-1979 school year as proposed by the Iowa Braille and Sight Saving School. Mr. Wenstrand seconded the motion and it passed unanimously.

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

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 2:35 p.m. on Friday, September 22, 1978.


R. Wayne Richey, Executive Secretary