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

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<th>Members of State Board of Regents:</th>
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<tr>
<td>Mrs. Petersen, President</td>
<td>All Sessions</td>
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<td>Mr. Bailey</td>
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<td>Mr. Brownlee</td>
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<td>Dr. Harris</td>
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<td>Mrs. Jorgensen</td>
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<td>Mr. Neu</td>
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<td>Mr. Shaw</td>
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<td>Mr. Wenstrand</td>
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<th>Office of State Board of Regents:</th>
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<td>Executive Secretary Richey</td>
<td>All Sessions</td>
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<td>Director Barak</td>
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<td>Assoc. Director Caldwell</td>
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<td>Ms. Baker, Secretary</td>
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<th>State University of Iowa:</th>
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<td>President Boyd</td>
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<td>Vice President Bezanson</td>
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<td>Vice President Brodbeck</td>
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<td>Assistant to President Mahon</td>
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<td>Acting Director Brisben</td>
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<td>Ms. Phillips</td>
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<th>Iowa State University:</th>
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<td>President Parks</td>
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<td>Vice President Christensen</td>
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<td>Assistant Vice President Madden</td>
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<td>Assistant to President Henry</td>
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<th>University of Northern Iowa:</th>
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<td>President Kamerick</td>
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<th>Iowa School for the Deaf:</th>
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<td>Superintendent Giangreco</td>
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<td>Business Manager Kuehnhold</td>
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<th>Iowa Braille and Sight Saving School:</th>
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<td>Superintendent DeMott</td>
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<td>Business Manager Berry</td>
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The following business pertaining to general or miscellaneous items was transacted on Thursday, August 21, 1980.

DEATH OF REGENT BELIN. President Petersen noted that since the last board meeting, a valued and dedicated board member was lost. She said that Connie Belin passed away on June 23, 1980, losing a valiant fight against cancer. President Petersen asked for a brief pause in memory of Regent Belin before beginning the meeting to allow each person to remember Regent Belin in their own way. She said those who serve on the board leave an imprint for posterity and become a part of the board's history and its strong tradition. Regent Belin's four years added much to that tradition - she had enthusiasm, a sense of joy in life and work, an open mind grasping for the best solution, a searching quest for beauty, a hearty laugh, a keen insight, an ability to ask thought provoking questions, a drive for excellence, a zest for probing discussion, a delightful sense of humor, a vitality, a desire to use each day and each moment of life to its fullest, a fighting positive spirit in her fight to survive, a caring for people as groups and as individuals, and was a constant friend.

APPROVAL OF MINUTES. The minutes of the June 18-19, 1980, board meeting were approved as distributed. President Petersen stated that any additions or nonsubstantive changes could be turned in to the secretary.

APPROVAL OF MINUTES OF LONG-RANGE PLANNING SEMINARS AT THE UNIVERSITY OF IOWA AND IOWA STATE UNIVERSITY. The minutes of the seminar at the University of Iowa held on May 13-14, 1980, and the minutes of the seminar at Iowa State University held on May 30, 1980, were approved as distributed. President Petersen stated that any additions or nonsubstantive changes could be turned in to the secretary.

COMMITTEE ON EDUCATIONAL COORDINATION. a. Undergraduate Degree Designation in Engineering at the University of Iowa. The university requested that the six Bachelor of Science degrees currently offered in the College of Engineering be replaced with a single title of Bachelor of Science in Engineering.

In June the Regents referred this request to the Interinstitutional Committee on Educational Coordination (ICEC) and the Board Office for review. The ICEC reviewed the request and recommended it for approval.

The Board Office noted that this proposal will accomplish the following: 1) emphasize the common academic basis of all the college's undergraduate programs; 2) bring the College of Engineering's degree practice into conformity with the other colleges of the university; and 3) extend the practice for graduate degrees to undergraduate degrees.

All of the undergraduate programs of the college have their academic foundation in the common core requirements and the proposed degree title would suggest this fact. The distinctiveness of the different professional programs would be recognized by designating the professional program major on the student's transcript, diploma, and in the commencement program.
This change will also bring the College of Engineering's degree practice into conformity with other colleges and universities and the Graduate College by recording the program in which the degree is earned on the student's permanent record and in the commencement program instead of including the academic program or department in the degree title.

The university indicated the change would not result in any new programs and that there would not be any additional resources needed to implement the change.

The Board Office recommended that the six Bachelor of Science degrees currently offered in the College of Engineering be replaced with a single degree titled "Bachelor of Science in Engineering."

MOTION: Mr. Brownlee moved that the board approve the request of the University of Iowa that the six Bachelor of Science degrees currently offered in the College of Engineering be replaced with a single title of Bachelor of Science in Engineering. Mr. Wenstrand seconded the motion and it passed unanimously.

b. Major in Surveying at Iowa State University. This item was deferred until the September board meeting because the university was unable to provide information requested by the Board Office prior to this meeting.

c. Bachelor of Fine Arts at Iowa State University. This item was deferred until the September board meeting because the Board Office requested further discussion regarding the proposed program with the ICEC. This was agreed to by the chairman of the Interinstitutional Committee and Iowa State University.

d. Masters in Agriculture at Iowa State University. It was recommended that the board approve the Master of Agriculture Degree with Major in Professional Agriculture as an interdepartmental, off-campus program at Iowa State University.

In June, 1980, the board referred this proposal to the ICEC and Board Office for review. The ICEC recommended it for approval.

The university noted that the Major in Professional Agriculture is an off-campus program leading to the degree of Master of Agriculture. The program is not exactly new and students are already enrolled. The program will make opportunities off campus available to students who wish to pursue graduate study in agriculture. It is considered to be a terminal master's degree. Students in this program must meet the same admission requirements as other students seeking admission to graduate study in agriculture, and hopefully the program will maintain the same standards as those provided on campus.

The Board Office noted that as the university expands locations for the offering of this degree, that steps should be taken to ensure that appropriate counseling, library materials, and other support areas are provided for students in the program.
According to the university's proposal, most of the estimated new costs for operating this program for the next three years will be covered by off-campus fees from the courses offered. Beyond the initial three-year period, it is anticipated that the program will be funded as part of the base allocation to the College of Agriculture and the departments that staff the program.

The Board Office suggested that the university consider some rewording of the descriptive materials on the program to eliminate the masculine-only references.

The Board Office recommended that the board approve the proposed program and congratulated the university for its efforts to serve the educational needs of older students off campus.

In answer to a question from Regent Bailey, Vice President Christensen indicated that courses would be taught in classrooms and this would not be a program of home self-study.

Regent Bailey asked for a definition of professional agriculture. Vice President Christensen replied that a professional degree implies a proficiency in a particular discipline but the degree is not research oriented. A M.A. or M.S. degree would imply a research orientation. The professional degree is a degree above the baccalaureate level.

MOTION: Dr. Harris moved that the board approve the Master of Agriculture Degree with Major in Professional Agriculture as an interdepartmental, off-campus program at Iowa State University. Mrs. Jorgensen seconded the motion and it passed unanimously.

e. Masters in Transportation Planning at Iowa State University. The university proposed a new interdepartmental graduate Major in Transportation involving seven departments in the Colleges of Engineering and of Sciences and Humanities. The departments included are: Civil Engineering, Community and Regional Planning, Economics, Industrial Administration, Industrial Engineering, Political Science, and Sociology. The proposed major was designed to provide preparation for careers in the planning of and development of policies for transportation systems and facilities. The Board Office said the program is consistent with the university's mission statement.

In June 1980 the board referred this proposal to the ICEC for review. The ICEC recommended it for approval.

The university anticipates resource needs for graduate assistants and preliminary publicity but indicates that present staff and courses will be utilized.

The Board Office and Interinstitutional Committee agreed that, while a similar program exists at the University of Iowa without the special degree designation, this program would not constitute "unnecessary duplication." It is appropriate for Iowa State University to offer this degree program because of the location in Ames of the Iowa Department of Transportation offices. It has been suggested that the demand for personnel in this area is sufficient to require the efforts of both universities. The Board Office and Interinstitutional Committee hoped that the possibility for interinstitutional cooperating in offering these programs would be considered.
The Board Office said it is anticipated that a majority of the students interested in a Transportation Planning major will be supported by their employers or will be self-supporting. Financial assistance is expected to be available for some graduate research assistants on projects awarded through participating departments. In order to assist in implementing this interdepartmental graduate major, support was requested for a period of up to three years for graduate research assistants at an annual cost of $16,000. A one-time need for funds in the amount of $2,000 will be required in order to distribute informational brochures publicizing the availability of this program. The Board Office assumed that the university will internally make these resources available by allocation or reallocation.

The Board Office recommended that the Master of Science in Transportation Planning at Iowa State University be approved.

Regent Bailey thought this program would add cost and noted that this is a time of being stringent with dollars. President Parks responded that the program may add some costs but it is one of the most valuable and needed programs for the Iowa economy. He said the institution is extremely well prepared to do this and that the return should be greater than the expenditures.

MOTION: Mr. Bailey moved that the board approve the Master's Degree in Transportation Planning at Iowa State University. Mr. Wenstrand seconded the motion and it passed unanimously.

f. Change in Name of the Department of Bacteriology to Department of Microbiology at Iowa State University. It was recommended that the board approve the request by Iowa State University to change the name of the Department of Bacteriology to the Department of Microbiology and to change the undergraduate and graduate Majors in Bacteriology to Microbiology.

In June 1980 the board referred this request to the ICEC and Board Office for review. The ICEC reviewed the proposed change and recommended it for approval.

The university reported that the science of microbiology has diversified much in recent years. New fields have been established and all of these are encompassed in the study of microbiology.

The Board Office said it understood that no "new" programs would be created by this name change and there will be no increases in expenditure.

MOTION: Dr. Harris moved that the board approve the request by Iowa State University to change the name of the Department of Bacteriology to the Department of Microbiology and to change the undergraduate and graduate Majors in Bacteriology to Microbiology. Mr. Bailey seconded the motion and it passed unanimously.
g. Iowa State University Mining and Minerals Research Institute. It was recommended that the board approve the establishment of the Iowa State University Mining and Minerals Research Institute and approve the appointment of its director.

The Board Office noted that the university requested approval for the establishment of this institute in June 1980. The institute is one of 31 that have been chartered throughout the United States by the Department of Interior through Title III of the Surface Mining Control and Reclamation Act of 1977 and is being established to stimulate, provide for and/or supplement present programs for the conduct of research investigation and demonstrations, in the exploration and extraction, processing, development, and production of minerals, and in the training of mineral engineers and scientists in the field of mining in mineral resources and technology.

Iowa State University has indicated that under the guidance of an educational advisory committee an interdepartmental graduate minor in Minerals Resources is currently being planned. In addition to a general sequence of courses in Minerals Resources and an appropriate number of Minerals-related courses outside the major field, the Minerals Resources minor would complete a thesis in his or her major field but on a topic dealing with Minerals Resources problems.

The Board Office noted that the institute is already in operation and the director is hired and functioning, so the action taken was being taken after the fact.

In answer to a question from Regent Bailey, Vice President Christensen said the training of minerals engineers involves a matter of consolidating some of the instruction programs the university now has. The instruction program will not be changed significantly.

MOTION: Mr. Bailey moved that the board approve the establishment of the Iowa State University Mining and Minerals Research Institute and approve the appointment of its director. Mr. Neu seconded the motion and it passed unanimously.

h. Governor's Economy Committee '79 Recommendation to Include Public Radio in a New Department of Communications. Several actions were recommended to the board. These included: 1) that the concerns of the board about the Governor's Economy Committee '79 recommendation to place public radio stations under the jurisdiction of a new department of communications be presented to the Governor; 2) that the board recommend that the AM and FM public radio stations licensed to institutions under its jurisdiction remain so licensed; 3) that the board recommend that three of its members continue to serve on a State Educational Radio and Television Board which would continue as a governing board rather than as an advisory group as recommended by the Economy Committee; and 4) that the proposed response to the Governor's Economy Committee recommendation of August 1980 be approved for transmittal to the Governor.

The Board Office explained that the ICEC proposed adoption by the Board of Regents of a statement as a response to the Governor's Economy Committee Recommendation #78 to include public radio and TV stations in a department
of communications. The proposed statement was prepared by Edwin Lewis, Vice President for Academic Affairs at Iowa State University and chair of the committee; Kenneth Moll, Vice President for Academic Affairs at the University of Iowa; Fred Lott, Assistant Vice President at the University of Northern Iowa, and Wallace Caldwell of the Board Office. Technical assistance was received from the radio station managers.

The proposed response indicated that the Governor's Economy Committee Task Force was not able to acquaint itself with certain basic considerations including federal regulations and responsibilities of the Board of Regents.

The Task Force recommended that all public radio and television stations be under the jurisdiction of a new department of communications. This department would be responsible for planning, programming, and disseminating information to the state's citizens via radio and television. The new department of communications would be under an executive office of administration which would report directly to the Office of the Governor. The educational radio and television board would serve as an advisory group rather than as a governing board according to the Economy Committee recommendation.

The Board Office noted that the recommendations of the Economy Committee should not be implemented for the following reasons.

A Federal Communications Commission rule restricts licensing to a non-profit educational organization. The Economy Committee recommendation does not comply with this regulation because control and oversight of public radio would not be under educationally-oriented governance.

Another reason not to implement the recommendations is that they allow for the potential of undue state control of public radio. The Economy Committee recommendation does not provide sufficient insulation of public radio to achieve independent conditions.

The response further noted that the Federal Communications Commission and Congress have mandated that local stations determine the needs and interests of their local service areas and provide programming to serve the local needs. There is concern regarding the effectiveness of maintaining a perception on the part of the local radio listener that the programs are emanating from the local station and reflecting the local interests.

The response also noted that instructional programs in the broadcast field are a responsibility of the Board of Regents and could not be offered in the present form if the radio stations were removed from its jurisdiction.

Under the Economy Committee recommendations the Educational Radio and Television Facility Board would become an advisory group. This would require legislative change in the Code of Iowa. The Code of Iowa 1979 states:
19.137 Educational Facility Board Created. There is hereby created a state educational radio and television and facility board for the purpose of planning, establishing, and operating an educational radio and television facility and such other communications services as may prove necessary in aid of the accomplishment of the educational objectives of the state.

Chapter 18 also states that

three members of the State Educational Radio and Television Facility Board shall be appointed by the State Board of Regents from its own membership or from among its employees of institutions under the jurisdiction of the board.

The recommendation to eliminate the State Educational Radio and Television Facility Board as a governing board would eliminate broadcast planning and programming from control by an educational entity.

In view of these considerations, the Board Office recommended that the board oppose placing public radio stations under the jurisdiction of a new department of communications which would report to an executive office of administration; recommend that the AM and FM public radio stations licensed under its jurisdiction remain so licensed; recommend that three of its members continue to serve on a State Educational Radio and Television Board which would continue as a governing board; and approve the proposed response to the Economy Committee recommendation for transmittal to the Governor.

Mr. Richey said that Mr. Lewis, Mr. Moll, and Mr. Lott should be recognized for their work on this effort. Vice President Martin also acknowledged Mr. Caldwell for his heroic efforts on this project.

Vice President Martin said that Doug Vernier, Director of Broadcasting at the University of Northern Iowa, was present at the board meeting to answer any technical questions and questions on policy.

President Kamerick strongly endorsed the recommended actions. He said the recommendations of the Economy Committee would most likely lead to a loss of support from the federal government and private subscriptions. President Petersen noted that there also could be a crippling and undermining of academic programs that are related to the television and radio stations.

Regent Neu asked if there would be any savings from this recommendation and if there were no projected savings, questioned why the Economy Committee would make such a recommendation. Mr. Caldwell could recall no specific savings from this recommendation but said there were suggestions to transfer some of the personnel from the Iowa Public Broadcasting Network (IPBN) into the new communications department.

President Kamerick assumed there would be a savings from networking stations and controlling them centrally. In that case there would be a savings in personnel.
Vice President Martin said it appeared to him that an enormous capital investment would be needed to implement the recommendation of the Economy Committee. He also said there were interesting policy implication such as who would be responsible for the educational content of radio programming.

Regent Shaw thought the state had a legitimate concern about the number of licenses given out and about how much funding community colleges and the like will require. He said the extent to which these work together is a matter of legitimate concern. He did not think all stations needed to be under one head to meet this concern. President Petersen noted that the board does cooperate and work together with the IPBN board and special task force.

President Kamerick stated he did not think that was a major issue since the Legislature can refuse to fund stations. He noted that only a portion of the funding comes from the state and that if the Regent stations and others were all combined, other sources of funding would be lost.

Mr. Caldwell noted that it is the practice of the Federal Communications Commission not to license state governments but to license educationally oriented facilities. There would be a problem in implementing the recommendation of the Governor's Economy Committee in this regard.

MOTION: Mr. Neu moved that the board oppose placing public radio stations under the jurisdiction of a new department of communications which would report to an executive office of administration; recommend that the AM and FM public radio stations licensed under its jurisdiction remain so licensed; recommend that three of its members continue to serve on a State Educational Radio and Television Board which would continue as a governing board rather than as an advisory group; and approve the proposed response to the Economy Committee recommendation for transmittal to the Governor. Mr. Shaw seconded the motion.

Regent Bailey expressed concern about the wording of the response in regard to its persuasiveness. He said that a statement that the Governor's Economy Committee didn't understand all of the basic considerations is fairly refutable by the Economy Committee. The Economy Committee knows better what information it had and what it did. He said it would be poor psychology to say they misunderstood.

Mr. Richey agreed that the wording of the response would be changed. President Petersen said there is no more important issue than the principle involved in this action and that the response to the recommendation should be articulated as clearly as possible on the basis of the concept. She felt the proposed response accomplished this.
GENERAL
August 21-22, 1980

VOTE ON MOTION: The motion passed unanimously.

i. Post-Audit Report on the Bachelor of Fine Arts Degree Major in Music Theatre. It was recommended that this item be referred to the ICEC and Board Office for review and recommendation.

MOTION: Mr. Bailey moved that the Post-Audit Report on the Bachelor of Fine Arts Degree Major in Music Theatre be referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. Mr. Brownlee seconded the motion and it passed unanimously.

j. Post-Audit Report on the Master of Music Degree, Majors in Composition, Music History, and Performance. It was recommended that this item be referred to the ICEC and Board Office for review and recommendation.

MOTION: Mr. Bailey moved that the Post-Audit report on the Master of Music Degree, Majors in Composition, Music History, and Performance be referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. Mr. Brownlee seconded the motion and it passed unanimously.

k. Post-Audit Report for the Iowa State University Undergraduate Program in Computer Engineering. It was recommended that this item be referred to the ICEC and Board Office for review and recommendation.

MOTION: Mr. Bailey moved that the Post-Audit report for the Iowa State University Undergraduate Program in Computer Engineering be referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. Mr. Brownlee seconded the motion and it passed unanimously.

l. Post-Audit Report for the Iowa State University Undergraduate Program in Nuclear Engineering. It was recommended that this item be referred to the ICEC and Board Office for review and recommendation.

MOTION: Mr. Bailey moved that the Post-Audit report for the Iowa State University Undergraduate Program in Nuclear Engineering be referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. Mr. Brownlee seconded the motion and it passed unanimously.
m. Major in Therapeutic Recreation at the University of Northern Iowa. This item was deferred until a later board meeting because additional work needed to be done.

ACCREDITATION REPORTS. a. Report on National Council for Accreditation of Teacher Education at Iowa State University. The board was asked to receive the report of the National Council for Accreditation of Teacher Education at Iowa State University.

The Board Office explained that in June the university was notified by the National Council for Accreditation of Teacher Education (NCATE) voted to reaccredit basic programs of the university for the preparation of elementary teachers, secondary teachers, and K-12 teachers; to reaccredit master's programs for the preparation of elementary principals, secondary principals, supervisors and curriculum coordinators, and guidance counselors; to reaccredit specialist and doctoral programs for the preparation of school superintendents; to grant initial accreditation to the master's program for the preparation of special education teachers; and to grant initial accreditation to the specialist program for the preparation of school psychologists.

Out of all the areas under review the Council noted the following strengths. The institution is exceptionally conscientious in monitoring the admission of students into its teacher education program. The institution's counseling and advising service for students in teacher education is exemplary. The institution's efforts at evaluating its graduates have been consistent and productive. Substantial evidence was provided that such evaluations constitute the major impetus for the modification and improvement of Iowa State University's teacher education programs.

The Board Office noted that accreditation by NCATE certifies that the institution's programs for preparing teachers and other professional school personnel meet the Standards of the council. The institution is expected to meet the Standards at a level judged acceptable at the time of its evaluation. NCATE accreditation attests to the quality of preparation of programs and signifies that persons recommended by the institution can be expected to perform satisfactorily in typical teaching and other professional school positions throughout the United States.

Each institution has the prerogative to request the accreditation for programs and degree levels of its choice. While the team chairman during the previsit, and the entire team during the actual visit, raised the question as to why the College of Education at the university was not submitting the majority of its doctoral programs for accreditation, this is not unusual in that these programs had not been submitted for accreditation in the past. It is the university's position that it seeks accreditation only for programs in which certificates are required.

The Board Office presented a lengthy summary of NCATE's site visitors' report. The Board Office said the College of Education and Iowa State University should be commended for what is overall a very positive accreditation report. It noted there are, however, sections of the report which will no doubt be given serious consideration by the college and university for further improvement.
Mr. Barak noted that in its final action NCATE cited no weaknesses. Regent Bailey noted that in the body of the site visitors' report there were some comments about the special education program. Vice President Christensen said the university did not believe these comments were valid and had responded to them.

President Petersen received the report on behalf of the board and expressed congratulations to the institution on receiving accreditation.


It was recommended that the board receive the report of the American Psychological Association on Accreditation for Doctoral Training Program in Counseling Psychology at Iowa State University.

In July the university was notified that the Committee on Accreditation of the American Psychological Association has found the Doctoral Training Program in Counseling Psychology to be in sufficient compliance with the American Psychological Association's criteria for accreditation, and has granted it full approval. The program will appear in the list of accredited programs to be published in the forthcoming issue of the American Psychologist.

The Board Office said the site review committee was impressed with the overall quality of the training program of the Iowa State University Psychology Department in Counseling Psychology. As a relatively new program, it has gained a good reputation with the students that it has turned out. The faculty is one that has been stable and has good morale, and the addition of a new faculty member will add prestige to the faculty. The program is well organized and managed by its chairperson, and morale within the faculty and with the students is high.

The completion of the remodeling of new space for the program will go a long way to resolve some rather difficult communications problems within the program and the department as the faculty is brought together.

The Board Office also noted that the department administration has paid attention to previous recommendations made by the site visit team in 1975. Younger faculty teaching loads are such that they will allow them adequate time for research and their own publications.

In its letter of notification regarding the accreditation action, the committee encouraged the program to recruit minority students and women, and minority faculty when openings occur.

The Board Office said the department and university should be congratulated for what appeared to be a highly favorable report regarding its Counseling Psychology Program.

President Petersen received the report on behalf of the board.
c. Report of the American College Health Association on the Student Health Service at Iowa State University. It was recommended that the board receive the report of the American College Health Association (ACHA) on the Student Health Service Program at Iowa State University.

The Board Office explained that the report is the result of a second visit by the ACHA survey team to the university on January 28-29, 1980. An initial survey visit was made on November 30, December 1-2, 1977, which resulted in provisional certification of the Health Program. In September 1978 certification was granted for one year with the recommendation that review of the Health Program take place after the first year to determine if it should be continued for a full five-year period.

Based upon the current review, the Committee on Certification has authorized certification of the Health Program at Iowa State University for a full five-year period. The committee emphasized that it is apparent that problems and concerns remain within the Health Service Program. Continued efforts toward program development and redirection are necessary. All committee members agreed that the primary justification for certification at this time is the progress that has occurred between the two survey visits. The committee identified the following recommendations which require continuing attention:

1. The present level of psychiatric service available to the Ames community, and therefore to the university, is inadequate. The committee was encouraged by the cooperative approach to this community-wide problem which is being adopted and urged continuing attention to this need.

2. There are still concerns regarding the role which nurses play in the Health Program. Recommendations of the survey team that nurses be trained to function as practitioners in the General Clinic and in the Gynecology Clinic have not been implemented. As noted by the survey team in 1977, the functioning of nurses in a broadly expanded role in the delivery of primary health care in college and university health services is becoming increasingly prevalent in the field.

3. The recommendations made by the survey team in 1977 regarding the development of a community health education effort have yet to be implemented. The appointment of the University Health Education Committee should provide a vehicle for the implementation of these recommendations.

4. The committee was concerned regarding the level of preparedness for emergencies and disasters on the Iowa State campus. The material submitted relates to a communication mechanism which has been established, but does not address the issues of allocation and utilization of resources, including personnel, in the face of an emergency. It is essential that the university have a carefully structured plan to meet such potential emergencies to adequately discharge its responsibilities to faculty, staff, students, and the community.

5. The committee emphasized the concern expressed by the survey team regarding the lack of attention which has been paid to the present funding base of the Health Program. It urged careful consideration of recommendations made in 1977, which are becoming increasingly important in the face of increased utilization which can only generate the need for further financial resources.
The committee concluded its report by commending those involved at the university for the excellent progress which had been made in the development and improvement of the Health Program and was hopeful that the report of the survey team and its recommendations would provide continuing stimulus to progress.

In reference to one of the recommendations made in 1977, Regent Harris asked how the Student Health Service Program is financed. Mr. Richey indicated that this varies somewhat at each institution. The programs are financed both by student health fees and by general university funds.

Vice President Moore said that at Iowa State University the program is financed by both sources. In recent years an increased amount of support has come from student fees.

President Kamerick indicated that the student health program at the University of Northern Iowa is also financed by student fees and general university funds. Charges are made for some services.

Vice President Bezanson explained that at the University of Iowa most of the support is from the general university fund but moderate charges are made for some services.

Vice President Moore further explained that the student fee at Iowa State University is a voluntary fee. There are two sets of charges for services. One set of charges is applied for students who have paid the voluntary fee and another set of charges is applied for students who have opted not to pay the fee.

President Petersen explained that the original survey team was concerned about whether the use of the voluntary fee would provide a stable funding base. Vice President Moore said this system seems to be working successfully.

Dr. Harris suggested that the university might report back to the board on how it plans to deal with items 2, 3, and 4 and that it might also make a progress report on these items in one year.

Vice President Moore said that the programs at all of the institutions are affected by other factors. Many students are covered by residual statements in a family medical coverage plan from their parents. Such outside aspects influence the way the health service is operated.

President Petersen received the report on behalf of the board, noting Dr. Harris' request for a progress report in a year.

d. Report on American Psychological Association Accreditation of the Iowa State University Student Counseling Service Internship Program. It was recommended that the board receive the report of the American Psychological Association on the Iowa State University Student Counseling Service Internship Program.
The Board Office noted the Student Counseling Service is an integrated student service agency that provides a diversity of services and training opportunities. It presented a summary of some of the observations of the American Psychological Association site visit team regarding the Student Counseling Service Internship Program.

1. The Student Counseling Service has a good record of recruiting minorities (blacks) and women for both staff and internship positions.

2. The team recommended that qualified staff be considered for adjunct appointments in appropriate academic departments to increase their credibility as scientist professionals and to increase the overall valuing of scholarly activities in the agency.

3. While there is sufficient space for the present staff and program, any expansion in the activities of the center would require additional space.

4. The budget for the Student Counseling Service seems adequate. The salaries at all levels are quite good and no staff member interviewed mentioned salary as a source of dissatisfaction.

5. A large number of highly qualified professional training staff provide excellent professional role models for trainees. There is a mutually productive relationship between the Student Counseling Service and the Psychology Department.

6. The Student Counseling Service operates with an Executive Committee comprised of the Director, the Director of Training, the Director of Testing, and two staff persons elected annually. While this committee seems efficient, some staff and interns feel they do not have sufficient input, nor are sufficiently apprised of the committee's process and its decisions.

7. At the beginning of their appointments, interns are involved in a summer training program. This program orients them to the university, the services of the Student Counseling Service, and exposes them to various agency staff and their areas of expertise. There is flexibility for individually tailoring the internship experience, yet there is an integrated core of required experience for all interns. The team was pleased to note that the staff appreciate and encourage research activity.

8. The team regards the summer training program and contracting procedure to be an outstanding feature of this internship, which other programs might well emulate.

9. From the beginning of their involvement at the Student Counseling Service, interns are accepted as junior professional colleagues. They participate in all staff activities.

10. All interns reported that they are satisfied with the amount of scheduled individual and group supervision they are receiving and with the availability of staff for ad hoc consultation. Both the Director of the Student Counseling Service and the Director of Training demonstrate a personal interest in their development and are regularly involved in their training.
11. Although three interns meet the minimal requirement of the American Psychological Association criteria, it was recommended that the program be expanded to a total of five interns to provide a critical mass for peer stimulation and peer support.

The university has responded to the concerns and suggestions of the site visit team. The recommendation that the Student Counseling Service seek to develop adjunct appointments in academic departments is being pursued, although there is some doubt that such a connection will have an effect on retention of staff as suggested in the site visit report. With respect to the comment about the probability of increasing the number of people on the staff, the university feels this is guarded due to the tight physical space at the Student Counseling Service and the financial resources available.

The Board Office said the university should be congratulated on the receipt of this accreditation.

President Petersen received the report on behalf of the board.

President Petersen reminded board members that the full accreditation reports are on file in the Board Office and are available for review.

REPORT ON LONG-RANGE ACADEMIC PLANNING. Vice President Christensen, noting that the institutions had just recently received the Board Office report, asked that the discussion on long-range academic planning be deferred until the institutions have an opportunity to review the report.

Mr. Richey suggested that the board should not delay too long in taking action on this topic because the Legislature will be reviewing the activities of the board. He said it would be wise to have taken action on the long-range academic planning before the Legislature begins such a review.

Regent Bailey referred to the following statement in the Board Office report:

A third element in the Regents' long-range planning process, which we are recommending, is Regental review and adoption (or modification) of the major institutional long-range planning objectives, as stated by the presidents in their institutional "Capstone" statements included with the institutional long-range academic plans. We also think that it would be appropriate for the board to indicate any encouragement or concerns that it might have with any elements of the remainder of the institutional academic long-range plans, as presented to the board in recent months and as articulated at the institutional seminars.

Regent Bailey said he thought that such considerations must be done on a considered basis and the board must give serious consideration to how these things dovetail. He said it was important for the board to follow through.
Regent Shaw stated that to use this process of long-range planning for decision making at the board level is very unrealistic. It would be more appropriate if there were no funding problems. He said it is hard to use this process because the board does not know how many dollars will be available to it.

President Petersen said flexibility in planning is very desirable so that the board may react as conditions change. It would be a mistake to have a long-range plan chisled out in concrete in great detail. The planning that has been outlined and through which the board will work is based on concepts rather than in inflexible plan.

Regent Shaw said that the end results will be different in five or ten years if a situation in terms of dollars is assumed and the board makes plans than if the board decides what it would like to do and reacts as it goes along. He noted that in areas where there is shrinkage are areas where costs are increasing.

Regent Bailey said the planning should be done on a planned and committed basis. Programs should be considered in view of the financial outlook and it is possible this should be accomplished in more than one step. The board may have alternative plans depending upon the amount of dollars available. Regent Bailey thought it would be a poor situation to plan only for the situation of having limited dollars. He hoped the board would have more money and assumed the board would work to try to get more money. He said there is a need for doing planning and having specific concepts and proposals available to be presented.

Regent Shaw said that in his view the future is so clear that there is no question that there will be a continuing crunch in the 1980s. Any planning would have to be very conservative. Regent Bailey argued that even in this case, there should still be some planning. He pointed out that the economy can change rapidly and planning is needed for various possibilities that are beyond the board's control.

President Petersen said that the institutions in Iowa have traditionally planned and charged for the future with some kind of vision. They have always been conservative. She said as the board looks to the future that the same conservative approach would be maintained. She would hate to think the board would lose its vision and become so conscious of year-to-year crises that it failed to see beyond a particular frame of time. She said the board needs to have a conservative and realistic approach and must have some kind of vision so it is able to meet demands. It needs to have a framework to allow it to use resources conservatively and realistically.

President Parks expressed the opinion that negative thinking is a potential force for the demoralization of the faculty issue if the future is viewed in terms of what is currently happening. He noted that some of the best economic predictors have been very wrong. President Parks also mentioned that the present distribution of revenues among social needs could change. It is possible that in the future education might have a higher social value and receive a higher proportion of the revenue. He said the faculty and staff must believe there is enough hope for the future to keep them thinking about changes and modifications as resources are approved.
Vice President Martin noted that planning for the state institutions is very difficult because enrollments can not be controlled. For this reason state institutions must be more flexible in their planning and more able to make adjustments than private institutions.

In response to Regent Shaw's statement that the state institutions do not have the same management or destiny as in the private sector, President Petersen said this underscores the important point that flexibility needs to be a part of the board's planning process. She asked Regent Shaw if he thought the institutions were not being realistic about the future in their planning seminars. Regent Shaw did not think they were being very realistic.

President Parks indicated that no one is denying that there is a financial crunch at the moment but he did not think that the only planning alternative should be bleak and grim. He said planning ought to be done with optimism as one of the alternatives.

Vice President Brodbeck noted that one of the missions of the universities is research. They are state and federally funded which makes them different from the independent four-year colleges teaching undergraduates. She said the research mission and growth in education and knowledge is an important aspect of the institutions. This makes a great difference in what is anticipated in allocation of new resources which may be needed in some areas. Resources may have to be reallocated internally for the future which requires a large amount of planning.

President Petersen noted that she spent part of the summer examining the long-range planning documents of the institutions. Rather than feeling that the institutions were being unrealistic in their hopes for the future, she felt the documents were full of vitality and idea. She said the size is not as important a matter as the life within the departments and colleges. In planning for the future, although numbers and figures are used, the board should be certain that it maintains the vitality of the ideas, goals, and concepts in the planning arrangements.

Mr. Richey said the Board Office would work with the Interinstitutional Committee and institutions in further developing this item for the September board meeting.

LEGISLATIVE INTERIM COMMITTEES. It was recommended that the board receive the report on the Legislative interim committees.

The Board Office explained that the Legislative Council has authorized membership and studies for 1980 interim committees. Suggestions for these committees came either from legislation passed in the 1980 Session or through resolutions adopted by one or both chambers.
There are eight studies which the board might wish to follow. These are:

**Prescription Drug Dispensing Practices. S.F. 2070 called on the council to establish a special interim study committee to make a study of prevailing prescription drug dispensing practices, the law governing those practices, and the opinion of the Attorney General to the secretary of the Board of Pharmacy Examiners rendered July 5, 1979.**

The committee consists of Senators Carney, Miller of Des Moines, and Yenger; Representatives Kirkenslager, Lind, and Lonergan; a member of the Board of Pharmacy Examiners, the Board of Medical Examiners, the Board of Dentistry Examiners, the Board of Nursing Examiners, the Board of Podiatry Examiners, and the Board of Veterinary Examiners.

**Grain Elevator and Grain Grading. This study committee is called for in several concurrent resolutions.** The basic thrust appears to be to hold public hearings to obtain comments and recommendations from persons involved in the production and marketing of grain with respect to the strengths and weaknesses of existing Iowa law; to review the facts which contributed to the collapse of the grain elevator; to review current state and federal laws designed to provide for financial protection for consumers and to hear recommendations of knowledgeable persons, including governmental officials whose duties relate to administering laws and programs relating to grain elevators and financing. Another resolution calls for this committee to study moisture meters and grain grading procedures as they relate to moisture shrink factors and discount rates.

The committee consists of Senators Holden, Bergman, Goodwin, Priebke, and Robinson and Representatives Millen, Davitt, Hinkhouse, Renken, and Swearingen.

**Governor's Economy Committee Recommendations.** This committee was requested in two concurrent resolutions. The basic charge is to analyze the recommendations of the Governor's Economy Committee and make recommendations on implementation of the Economy Committee report. This is evidently to be the legislative arm of the Governor's Economy Report implementation program.

Committee members are Senators Nystrom, Carr, Drake, Palmer, Schwengels, Slater, and Yenger and Representatives Crawford, Anderson of Audubon, Brandt, Dieleman, Groth, Lageschulte, and Mullins.

**Transportation Study.** This interim committee could initiate discussion in a number of areas including funding of road needs in the state, reallocation of formulas, mass transit funding, etc. Some of these are of interest to the board, particularly those that relate to institutional road funding.

Committee members are Senators Drake, Coleman, Comito, Goodwin, Hutchins, Jensen, and Small and Representatives Egenes, Bennett, Hoffman, Jay, Johnson of Linn, Oxley, and Woods.

**Education Study** A number of resolutions called for the formation of a study committee dealing with various educational topics. House Concurrent Resolution 135 called for a committee to study the results of declining enrollment on all educational institutions at the post-secondary level and to review
alternatives and develop a state policy for post-secondary education for the 1980s and 1990s. Senate Concurrent Resolution 146 called for a study of the administrative expenditures of the area education agencies as they relate to the program and services provided to children and to study alternative ways of determining administrative costs.

Members of the committee are Senators Gratias, Brown, Hansen, Small, and Taylor and Representatives Stromer, Connolly, Diemer, Horn, and Menke.

Mr. Hawkins attended the first meeting of this committee and reported that it reviewed the Area Education Agencies.

He said the next meeting of this committee is tentatively scheduled for September 26, 1980, at which time subject matter is expected to focus on H.C.R. 135. Another question it will review is limitation of out-of-state enrollment because in-state students have not been able to get rooms in the dormitories.

Iowa Coal and Hazardous Waste Disposal. This study was prompted by two resolutions. The first calls for a study on the implementation of monetary incentives, incentives to promote the utilization of Iowa coal among both public and private sectors, and to examine the utilization of synthetic fuels produced from Iowa coal. The second resolution called for a study to examine the need for legislation relating to air quality, bidding for contracts, and to make other recommendations regarding the production of Iowa coals.

The committee consists of Senators Ramsey, Bisenius, Briles, Brown, Gallagher, Rodgers, and Waldstein and Representatives Van Maanen, Howell, Hullinger, Pellett, Pelton, Perkins and Ritsema.

Workers' Compensation. The broad subject of workers' compensation is open to review by this Study committee.

Committee members are Senators Taylor, Carr, Hulse, Jensen, and Palmer and Representatives Crabb, Connors, Gettings, Pope, and Tofte.

Fair Play Subcommittee. Mr. McMurray reported that the role of this committee appears to be to review the methods used in reimbursing political subdivisions for state mandated changes in the tax base. It could be of interest to the board if it gets into areas in which Regent universities impact on local communities. Regent Neu asked if this would have an implication for property taxes on board property. Mr. McMurray did not think so and said the committee was probably concerned about a bill passed last year on property tax which delayed some political subdivisions in issuing warrants resulting in some loss of income.

In addition to the committees listed above, Mr. McMurray said there will be at least one meeting of a group of Legislators on the question of appropriations of federal funds by the state.
Mr. Richey explained that there is a proposed plan that federal money can not be spent unless the expenditure is authorized in an appropriation bill. He said this could be a very serious item. Most of the proposals have suggested that a Legislative interim committee meet periodically to consider applications for spending federal moneys that were not known at the time appropriations were made. The proposals have offered to exclude some research funds and some student aid funds. This still leaves the institutions in a very difficult position with respect to budgetary planning and morale of the faculty because there would be no certainty of receiving funds to carry out a project. This uncertainty about authority to spend federal money would impact on those granting funds. It would also have effects in terms of flexibility and freedom from red tape.

Mr. Richey noted that heretofore the Governor's Office has opposed this plan rather strenuously. The Governor has serious concerns about the process of appropriation of federal funds and Mr. Richey said efforts should be made to enforce that position rather than erode it.

Regent Bailey said that psychologically this proposal is almost a cut off of federal funds available. He said if Congress or an agency granting funds for a specific purpose finds that the funds aren't going to that purpose, they may not grant any funds at all. An individual agency or the Congress grant these funds because they want a particular job done; they are not concerned about revenue sharing at this point. If there is a risk that the state Legislature may not pursue their desires, these agencies could withhold funds.

Mr. Richey added that this is particularly a problem in the case of a descriptive, competitive grant. If a grant is mandated by federal statute, the state would have the option of taking it or not taking it. If the Legislature did not approve the use of the funds, the federal government could keep the money and reallocate it to other states.

One of the real problems, said Mr. Richey, is that the Legislature would be making program decisions within Regent institutions in a way it has always avoided. President Petersen agreed and said that the Legislature would be making judgments about what was or wasn't an appropriate research project. The board has traditionally been a buffer to all such parties to allow institutions freedom in their academic programs, research, and service. She said the board has a role to play in preserving that concept and it should be actively involved in articulating these concerns not only about money but also about the conceptual principle. Once this role is shifted, the board would have a hard time getting it back.

President Petersen also noted that this proposal could create a delay in receiving funds.

In answer to a question from Regent Neu, Mr. McMurray said the committee would include the chairs of the the appropriation committees in both houses.
Regent Bailey noted that this action was taken in Pennsylvania. Assistant Vice President Henry said this kind of law was passed in several states. In Pennsylvania the law was tested in court and the Supreme Court of Pennsylvania upheld the law. The university appealed to the United States Supreme Court and lost the case on the basis that the law was a decision made by Congress and to repeal the law would be encroaching on the right of Congress.

In Montana a similar law was repealed because it was so expensive for the Legislature to become involved in the universities day-to-day operations.

Assistant Vice President Henry noted that this proposal has been considered by the Iowa Legislature for the past four years and the proposal has not been very successful. He further noted that the national body that initiated the plan, the Council on Intergovernmental Relations, has now withdrawn its support of it. He agreed that the proposal should be followed closely but did not think the momentum was in the direction of carrying out this plan right now.

President Petersen said the board needs to be very bold about reporting information about its funds and keeping the committee informed of what the board is doing. She noted that the board has been very careful in requesting federal fund replacements.

Max Hawkins indicated that he had learned that Taunya Martin in the Legislative Fiscal Bureau had been assigned to draw up a bill about this for consideration by the committee in October. He said arrangements were being made to have people get in touch with her to have some input into the bill she is going to draft.

President Petersen said the board needs to be actively involved in the activities of that committee and the Education Study Committee. It should volunteer to participate in their reviews rather than waiting to be questioned. Mr. Richey said this would be done as soon as the committee is set up.

President Petersen received the report on behalf of the board.

REPORTS OF AFFILIATED ORGANIZATIONS. a. University of Iowa Foundation. It was recommended that the board receive the report of the University of Iowa Foundation.

The 1979 Annual Report of the University of Iowa Foundation indicated that current gifts totaled $8,347,914, an increase from $5,010,200 in 1978. Deferred income totaled $9,464,027, up from $5,899,340 in the preceding year. A total of 22,682 contributors represented an increase of 1,132 over 1978. The capital campaign for the Hawkeye Arena/Recreation Project was launched in December 1979 and had reached over $4 million in pledges by April 1, 1980.

The university has indicated that an audit is currently being conducted and a report will be provided to the board at a future meeting.
President Petersen said the University of Iowa Foundation has made a difference between mediocrity and excellence and it will be as important in the future as it has in the past, if not more so as the institution needs to depend on it for extra dollars for excellence.

President Petersen received the report on behalf of the board.

b. University of Iowa Facilities Corporation. It was recommended that the board receive the report of the University of Iowa Facilities Corporation.

The Board Office reported that the financial summary of the Facilities Corporation indicated current assets of $21,671; current liabilities of $59,157; property, less depreciation, of $180,361; and equity of $142,875.

President Petersen received the report on behalf of the board.

APPOINTMENTS TO COMMITTEES. a. Appointments to the Iowa School for the Deaf Advisory Committee. It was recommended that the board approve the appointments listed below to the Iowa School for the Deaf Advisory Committee.

The Board Office said that at the last meeting, the Iowa School for the Deaf Committee voted unanimously to adopt a system of staggered appointments to the committee, beginning with the 1980-81 appointments. The appointments listed below have been staggered, with one appointment from each of the universities being a one-year appointment, and one being a two-year appointment. The same consultant who has served for the last two years was nominated for reappointment. This was the unanimous recommendation of the Advisory Committee, Superintendent Giangreco, and the Board Office. The recommended appointments were:

Kenneth L. Moll (University of Iowa), 1980-82
Charles V. Anderson (University of Iowa), 1980-81
Virgil S. Lagomarcino (Iowa State University), 1980-82
Elaine McNally-Jarchow (Iowa State University), 1980-81
Marion Thompson (University of Northern Iowa), 1980-82
Catherine Hatcher (University of Northern Iowa), 1980-81
Mary Delaney (Consultant), 1980-81
C. Joseph Giangreco (Iowa School for the Deaf), Ex Officio
Robert J. Barak (Board Office), Ex Officio

MOTION: Mr. Bailey moved that the board approve the appointments to the Iowa School for the Deaf Advisory Committee listed above. Mrs. Jorgensen seconded the motion and it passed unanimously.

b. Appointments to the Iowa Braille and Sight Saving School Advisory Committee. It was recommended that the board approve the appointments listed below to the Iowa Braille and Sight Saving School Advisory Committee.
The Board Office said that at the last meeting, the Iowa Braille and Sight Saving School Advisory Committee voted unanimously to adopt a system of staggered appointments to the committee, beginning with the 1980-81 appointments. The appointments listed below have been staggered, with one appointment from each of the universities being a one-year appointment, and one being a two-year appointment. The same consultant who has served for the last two years was nominated for reappointment. The consultant appointment was the unanimous recommendation of the Advisory Committee, Superintendent DeMott, and the Board Office. The recommended appointments were:

Kenneth L. Moll (University of Iowa), 1980-82
Austin Mueller (University of Iowa), 1980-81
Virgil S. Lagomarcino (Iowa State University), 1980-82
Elaine McNally-Jarchow (Iowa State University), 1980-81
Marion Thompson (University of Northern Iowa), 1980-82
Catherine Hatcher (University of Northern Iowa), 1980-81
Verna Hart (Consultant), 1980-81
Richard DeMott (Iowa Braille and Sight Saving School), Ex Officio
Robert Barak (Board Office), Ex Officio

MOTION: Mr. Bailey moved that the board approve the appointments to the Iowa Braille and Sight Saving School Advisory Committee listed above. Mrs. Jorgensen seconded the motion and it passed unanimously.

President Petersen expressed appreciation for the work committee members have done in the past on both of these committees.

She noted that the University of Northern Iowa was forced to make some different appointments which were on a lower level of the organization than before. She hoped that this would not mean the importance of the committee was any less and that the committee members understood the importance of their work. President Kamerick explained that the university is not filling the associate dean position in the College of Education and does not have spare personnel to send to the committees. The university nominated persons who are most knowledgeable in these matters. One of them is a department head.

Mr. Barak pointed out that Marion Thompson of the University of Iowa has served on these committees with distinction for several years and is not really a new member.

c. Nomination of Appointments for the State Extension and Continuing Education Council. It was recommended that the board approve the nominations from the University of Northern Iowa to fill vacancies on the State Extension and Continuing Education Council.

The Board Office noted that the recent resignation of Francis Downes and the retirement of Raymond J. Schlicher have created vacancies with respect to the University of Northern Iowa's representatives on the State Extension and Continuing Education Council. President Kamerick nominated the following individuals to fill these vacancies:
MOTION: Mr. Wenstrand moved that the board approve the
nominations of Dr. Glenn Hansen and Dr. Virginia
Hash to fill the vacancies on the State Extension
and Continuing Education Council. Mr. Shaw
seconded the motion and it passed unanimously.

TRANSPORTATION REIMBURSEMENT TO THE PARENTS OR GUARDIANS OF CHILDREN ATTENDING
IOWA SCHOOL FOR THE DEAF AND IOWA BRAILLE AND SIGHT SAVING SCHOOL.

It was recommended that under new authority granted in the Iowa Code,
Chapter 270.9, that the board establish the following modifications to
existing Iowa School for the Deaf and Iowa Braille and Sight Saving School
travel reimbursement policy:

1) That the per mile rate for reimbursement at both institutions be set
   at 15¢.
2) That the ceiling of $80 per student with a maximum of $160 per year for
   parental or guardian travel reimbursement for secondary school children
   be eliminated.

The Board Office noted that prior to July 1, 1980, parental or guardian travel
reimbursement authority for Iowa School for the Deaf and Iowa Braille and
Sight Saving School students was subject to the limitations of the Iowa Code,
Chapter 285.1 and Chapter 270.9. Certain reimbursement constraints were
established which allowed Regent schools to reimburse at a rate of 14¢
per mile except that for high school pupils the parents or guardians could
be reimbursed no more than $80 per pupil nor more than $160 per year.
Transportation allowances were for both commuter and resident students with
reimbursement for resident students "for not more than 10 trips per year
from the institution to the residence of the parent or guardian and return
to the institution..." 

The 1980 Legislative Session amended the Iowa Code, Chapter 285.1 substan-
tially. Concurrently, revised reimbursement for public school students be-
came a formula approach which was considered inapplicable, if not
discriminatory, to the parents or guardians of Iowa School for the Deaf and
Iowa Braille and Sight Saving School students. Consequently, the General
Assembly was encouraged to establish statutory authority to allow the
Regents to determine an equitable parent or guardian travel reimbursement
policy at its special schools.

House File 2593 amended the Code of Iowa, Chapter 270.9 to allow the
Regents to establish travel reimbursement policy for parents of students
at the special schools. Subsections 1 and 2 read as follows:
1. Transportation reimbursement at a rate established annually by the State Board of Regents to the parents or guardians of children who do not reside in the institution but are transported to the institution on a daily basis.

2. Transportation reimbursement at a rate established annually by the State Board of Regents to the parents or guardians for not more than 11 trips per year from the institution to the residence of the parent or guardian and return to the institution for children who reside in the institution.

With basic transportation funds established in the 66th General Assembly and subsequent increments through the appropriation process, the campuses are able to take the mileage rate from 14¢ to 15¢. The Board Office noted that state employees and officials receive 20¢ per mile. Institutional budgets are inadequate to meet this rate, although the eventual objective is to achieve a common rate of payment with that authorized for state employees.

The campuses agreed that the $80 ceiling for reimbursing parents or guardians of secondary students is inequitable. Where more than one child is involved per family, the parents are reimbursed for one trip, not one trip per child.

The Board Office said its recommendations were appropriate in terms of meeting Regent statutory authority and responsibility to establish reimbursement rates annually. Confirmation of the proposed transportation reimbursement conditions above was not to be considered as replacing any other non-conflicting parental travel reimbursement policy at the special schools. Each recommendation has a cost not previously incurred, but the total impact appeared to be marginal at $3,300.

The Board Office noted that a comprehensive review of parental travel reimbursement policy is still in process at the special schools with the participation of the Board Office staff. The two schools developed their policies regarding parental reimbursement independently and there are major differences in them.

Superintendent Giangreco is concerned about a common transportation policy on the grounds of historical development, institutional differences, and potential costs to Iowa School for the Deaf to develop a common travel reimbursement policy with Iowa Braille and Sight Saving School.

Superintendent DeMott is also concerned about the policy because of historical development and differing transportation programs at each school. He said such a common policy would "violate the principle of legitimate institutional autonomy." He further indicated that he has not "seen any statement or facts which would give the rationale for a single transportation policy."

It would cost about $50,000 per year to bring Iowa School for the Deaf policies in line with those at Iowa Braille and Sight Saving School. With the recent cutback in appropriations, this money is not available.

As to institutional administration, the Board Office indicated there is no distinct point where Regent authority and responsibility end and institutional autonomy begins. It said on the matter of travel reimbursement policy, how the public would best be served should be a paramount concern.
statutory authority exists, it seems to be in the public interest to have a common travel reimbursement policy. Otherwise, basic differences might be deemed arbitrary and not a defensible use of public funds by some and possibly discriminatory under law by others.

Mr. Richey opened discussion on the transportation reimbursement policy by noting that the policies recommended to standardize mileage rates and eliminate the ceiling were made with the understanding that because of the financial situation, the institutions cannot afford to do more this year to bring the policies into conformity. It would cost an additional $50,000 to bring the two schools into approximately the same position. Mr. Richey noted that the board will have to address this issue in its special needs request for these two institutions in the next biennium. He said the Board Office had no problems with the policies followed at Iowa Braille and Sight Saving School but that it is not appropriate to have different travel policies at the two schools any longer than necessary since they are under one board, serve the same kind of students, have the same kind of educational program, and are subject to the same kind of federal statutory constraints.

Superintendent DeMott objected to bringing the policies into agreement because there would be diminished value to parents.

Mr. Richey noted that the change in the travel reimbursement policy must be filed with the Administrative Rules Committee and said that committee might raise some questions about different policies at the schools.

Regent Bailey did not think that the board should accept without question all of the things being done at Iowa Braille and Sight Saving School. He said some of these things may not be valid and they cost a substantial amount of money.

Regent Bailey also questioned bringing the mileage rate for parents in line with that paid for state employees. He recognized that these parents have problems which should be minimized. However, he said, they do receive extra consideration in that their children are fed at the schools. He said it should not be a foregone conclusion that taxpayers' money can be used for parental travel reimbursement without considering alternatives.

President Petersen said parental travel reimbursement is provided under law. It is an extension of parent involvement in the development of educational programs and contributes to the success of going home weekends. She thought that the involvement of parents in the Individualized Education Plan for Iowa School for the Deaf students would be enhanced by this policy. She said this is an area in which improvement and growth are continuing and in which it is beneficial to have school staff given more opportunity to visit with the parents.

Mr. Richey said this should be a board decision because the law seems to state intent to reimburse parents for travel. There are educational values in the reimbursement policies, and there is a need for a common policy to apply to both institutions.

Superintendent DeMott said the issue concerns more than just the amount of dollars per mile reimbursed. The two schools have different processes of
of transporting youngsters to their homes. He said there is more to this issue than reimbursing parents for the portion of the trip for which they are responsible. He said the intent of the law must be determined and then it should be determined how the schools are meeting this intent. He noted that at Iowa Braille and Sight Saving School commuter rates are not comparable.

With regard to the point about institutional autonomy, Superintendent DeMott said that the schools do not desire or intend to be autonomous in relation to the Board of Regents. However, the two schools do have some differences and to say that every policy must evolve the same at the two schools is a false assumption. He noted that Iowa Braille and Sight Saving School and Iowa School for the Deaf serve different populations and are located in different areas.

In answer to a question from President Petersen about whether he thought there was logic in paying parents at the same rate, Superintendent DeMott said this would be logical if the parents were being paid for the same services and were in similar situations.

Superintendent Giangreco indicated that there have been many problems with transportation. He said there are differences in the ways the children get home. Regent Wenstrand noted that there are some inherent differences in transportation at the two institutions including the size of the group transported and the geographic location.

Mr. Richey explained that this policy relates only to what parents are paid to transport pupils and does not address other issues.

MOTION: Dr. Harris moved that the board approve the per mile rate for reimbursement at both institutions of 15¢ per mile and that the ceiling of $80 for parental or guardian travel reimbursement for secondary school children be eliminated. Mr. Shaw seconded the motion.

Mr. Richey said it was assumed that the law authorized the board to convert these policies into rules that can be filed under the administrative rules process. It will be necessary to develop the rules already in effect as amended by board action into acceptable form and to file them in cooperation with the institutions.

Regent Bailey expressed some concern that by eliminating the ceiling of $80 for reimbursement there would be no controls and that someone might take advantage of the state. Mr. Richey said there are controls in the amount per mile and the specific trips that will be reimbursed.

Regent Shaw asked if people doubled up when they picked up children from the same town in order to conserve energy. Superintendent DeMott said that students are bused to four pick up points in the state and that whenever possible the parents pick up more than one child.

VOTE ON MOTION: The motion passed unanimously.
TUITION FOR OFF-CAMPUS COURSES AND CORRESPONDENCE STUDY. The Board Office recommended that Iowa State University review its rates and make recommendations to the board in September concerning tuition for off-campus and correspondence study, reflecting changes already made at the University of Iowa and the University of Northern Iowa.

The Board Office explained that in April 1980, the University of Iowa requested an increase in tuition for off-campus study and correspondence study. It was indicated by the university that "the extension deans have worked on this issue and reached an agreement on a common rate increase." The board approved the increased rates, noting that "the institutions assured the board that the rates would be consistent."

In May 1980, identical rates were approved for the University of Northern Iowa. Iowa State University has indicated to the Board Office that it does not plan to change its rates until 1981-82; thus, a rate differential currently exists.

Vice President Christensen said Iowa State University is in favor of uniform rates but explained that the charges for off-campus courses at the university are tied in to regular tuition for all courses at Iowa State. At the other institutions charges for off-campus courses are not tied in with regular tuition.

He said the per quarter hour charge for undergraduates is $23 and the charge for graduates is $36. This roughly translates into $3 less for undergraduates and $3.50 more for graduates than at the other universities. Because of the student composition at Iowa State University, it would lose money if it now brought its rates into line with the other institutions.

Vice President Christensen also said that the information regarding fall courses has already been distributed and if the proposed rates were not approved, it would be necessary to redistribute the information. He said the university is interested in having its rates uniform with the other institutions when Iowa State University goes on the semester system.

Mr. Richey pointed out that when the board approved the rate structures for the University of Iowa and University of Northern Iowa, it was understood that all of the universities would have a common rate structure. He said this was misleading or misinformation.

Regent Bailey wondered how imperative it was that all of the rates for the institutions be the same. He noted that on-campus tuition rates are not the same at the institutions.

President Petersen explained it is important to have uniform rates because of the joint offering of the BGS and that sometimes courses from different universities may be delivered on the same site. If a person is taking two courses at the same site, it makes a lot of sense to have the rates uniform.
President Parks thought it would be advisable, in view of the fact that rates have already been announced and Iowa State University is in the last year of being on the quarter system, to wait until next year to make the rates uniform. Mr. Richey said there did not seem to be much choice about this since the rates were already announced. He noted that the issue of regular tuition is one of the things the board will discuss in regard to the next biennium.

President Petersen suggested that the rates proposed by the university be approved for this year and that they be reviewed for the next biennium in September and October.

MOTION: Mr. Bailey moved that the rates of $23 per quarter hour for undergraduates and $36 per quarter hour for graduates for off-campus courses at Iowa State University be approved and that these rates be reviewed for the next biennium. Dr. Harris seconded the motion and it passed unanimously.

REPORT ON EQUIPMENT INVENTORY DEFINITION CHANGE - GOVERNOR'S ECONOMY COMMITTEE '79 RECOMMENDATION 139. It was recommended that the board accept the report on the equipment inventory definition change prepared by the Board Office be accepted and that, with appropriate revisions in form, the report be transmitted to the State Comptroller as requested.

A summary of the report is presented below.

The Governor's Economy Committee recommendations reads as follows:

Current procedures require that inventory records be kept on all equipment items with a value in excess of $300 and all items of furniture. A substantial amount of staff time is required to tag the inventory and develop records. If the value limit were raised to $300, the decrease in work would make it possible to eliminate the total of five support positions at the three universities for an annual saving of $53,000.

The state definition of equipment has been any item costing $100 or more with an anticipated life of two years or more. The definition includes selected items with a value of less than $100. The establishment of the definition has been the prerogative of the Director of the Department of General Services under the Code of Iowa, 17.30, "Inventory of State Property."

Regent institutions recognized as early as 1978 that maintaining equipment inventories with unit values of $100 or more was a burden that was not only costly but difficult to maintain. Both state requirements and, in some cases, more stringent federal requirements related to contract and grant equipment purchases and subsequent record keeping added to that burden.

Analysis of campus inventories indicated that by moving to the $300 unit definition for equipment, 85%-90% of all items inventoried under the $100 per unit definition would no longer need to be inventoried. The dollar value of the 85%-90% of equipment items with a value of $100 or more was determined
to be 19%-36% at the universities. Cumulatively, 547,000 tags out of an estimated 650,000 out of an estimated 650,000 inventoriable items, or 88%, could be eliminated.

A more recent redefinition of equipment by the federal government prompted Regent institutions to begin reviewing an equipment definition that would take the unit value to $500 or more with an expected service life of one year or more. The federal government was allowing an equipment definition of $500 which would have allowed Regent institutions to be even more effective in maintaining accurate inventories of equipment for both federal and state purposes.

By March 1980 there was a draft proposal to modify Department of General Services purchasing guidelines, including the redefinition of equipment from $100 per unit to $300 per unit with certain other modifications in inventory reporting. The executive secretary responded to this proposal by indicating that a $500 limit, rather than a $300 limit, be used because it would be more appropriate in view of current federal regulations, increasing items costs, and expenses and problems of inventorying many small items of equipment.

While Regents are exempt by statute from purchasing procedures of the Department of General Services, Regent institutions are not exempt from the statutory authority of the director of that department to establish the equipment definition.

That department presented rule changes incorporating the following:

2.4(1) Definition of Equipment. Any item costing $300.00 or more and having an anticipated life of two years or more, plus all of the following items:

All types of chairs, tables, full suspension legal/letter size files (any size), kardex files and desk card file cabinets with more than four drawers, surveying equipment, binoculars and pocket calculators, plus any item that bears a serial number assigned by the original equipment manufacturer.

Chairs, tables, files and movable partitions costing less than $300.00 shall be marked "State of Iowa" and accounted for in aggregate. All other items of equipment shall be accounted for by a separate serial numbered tag.

Hand tools (saws, hammers and screwdrivers, etc), and normal desk supply items (staplers, punches, wastebaskets, etc.) are not considered equipment.

The comptroller's pre-audit section will not only be pre-auditing claims for arithmetic errors but will be observing any attempts by an agency to bypass normal purchasing procedures. Violations of normal purchasing procedures could mean that this special purchasing privilege could be withdrawn from a department or the whole program discontinued.

The revised administrative rule becomes effective August 27, 1980.
In April 1980 the Board Office submitted an Action Report to the Comptroller's Office. The report indicated that the estimated annual savings of $53,000 may have been overstated.

The committee recommendation report included the following:

The committee estimated about 80% of the items carried on inventory by the institutions are valued under $300 and that they approximate 20% of the dollar value of inventory as then defined.

The committee's recommendation was to raise the dollar limit per unit of equipment to $300 with selected exceptions.

The committee described the benefits of the revised definition as reduced personnel need to tag inventory and reduced departmental staff need for conducting periodic inventory of equipment.

The committee estimated that 5 people, with an average compensation value of $10,660 per person, could be eliminated at an estimated annual savings of $53,000.

The institutions responded to the recommendation to limit inventory records to equipment with values in excess of $300. They all supported the change in definition of equipment but were unable to derive any direct personnel savings from the revised definition without materially damaging existing inventory control operations.

University of Iowa. The University of Iowa has approximately six positions in its inventory control section. The Economy Committee recommendation would cut staff by one-third. The institution believes this would seriously impair the ability to effectively inventory and control equipment under State statute and federal requirements. The university proposed to use any equipment tagging clerk time saved toward the assisting of university departments with physical inventorying to improve the whole process to eliminate criticisms from federal and state auditors.

Iowa State University. Iowa State University has three positions in its inventory control section. The Economy Committee recommendation would eliminate two of these positions. The institution pointed out that Recommendation 152 to "expand utilization of computer resources to increase operational efficiency," would also eliminate a third position in the same section and questioned how it can be accountable to federal and state auditing requirements under such conditions that would essentially eliminate the office.

The university acknowledged that there would be savings through re-definition of a unit of equipment but would be offset by more stringent auditing requirements of the federal government. It cited Circular A-21 of the new federal Office of Management and Budget Guidelines.

University of Northern Iowa. The inventory control section at the University of Northern Iowa has only one position. The Economy Committee recommendation would eliminate that position and, therefore, eliminate the office for inventory control. Since that university has both state and federal audit requirements, as it relates to inventory of equipment, the elimination of the position would not eliminate the university's responsibility to the state and federal government.
The Board Office said it intended to submit an action report on the Governor's Economy Committee '79 recommendation 139 indicating that the recommendation is accepted in terms of re-definition of equipment and outlining why the committee's recommendation on dollar savings are unrealistic and unattainable.

The Board Office recommended that this report be accepted.

Regent Shaw asked what the board was called upon to do at this point and whether there was any objection to the proposed amount of $300 for re-definition of equipment. President Petersen answered that the board will respond in an official report to the Governor's Economy Committee. Mr. Richey said there was no objection to the amount of $300, that even $500 would be appropriate.

Regent Shaw questioned why a response of this type should be made. He did not think that the board would gain very much by telling the committee it had a good idea but that the idea would not result in any savings. Mr. Richey explained that the board must explain its response to the committee in detail. This has become a public issue. He suggested that unless the board explains exactly why the cost saving is not valid, that amount could be taken out of the board's budget. President Petersen said the board would be indicating that the institutions can use inventory personnel in a more effective way by demonstrating the effectiveness of using personnel in total inventory control.

Vice President Bezanson said that one way to view this is that economies of scale will be achieved. The institutions are not planning to spend the savings elsewhere. He said the institutions would be redirecting resources saved in order to respond to new requirements. He noted that there are some requirements which would otherwise make it necessary to add people to the inventory control function.

Regent Bailey was assured that by changing the dollar amount in the definition, federal fund support would not be threatened.

In regard to Regent Shaw's question about responding to the Economy Committee, Regent Bailey said to say positions can not be eliminated is not a good attitude to have in the present fiscal situation. If the savings are going to be used for other things, it should be made clear that in effect dollars will be reduced in this area. The university response indicates a lack of sympathy to an efficient operation or to the objectives of the Governor's Economy Committee. He noted that public relations must be considered here.

Mr. Richey said that based on this discussion and the concerns expressed by board members, that the response would be reviewed to change the impression it gives and to better explain why this money can not be reverted.

President Petersen said that if there were no objections, she would accept the report on behalf of the board with the understanding that the language will be revised as the report is submitted in terms of the concerns expressed.
Regent Shaw said this is not an inconsequential item and what is saved should be distinguished from what other work is being added by the federal government or the institution. He noted that the people on the Economy Committee take their work seriously and they are entitled to a genuine account of the results.

Vice President Moore said that the activities in the universities and special schools are perceived from the inside and by the board with a special view and bias. They are perceived by other state agencies with another point of view and bias. One of the jobs of the Comptroller is to get all the money back he can for the State of Iowa. That point of view comes up against the opposing point of view in measures of performance. He said the institutions do not think in terms of reverting money because there are always other things that can be done with it. He did not think this was a matter of being disrespectful or critical of the Economy Committee, but a matter of a difference in perceptions.

PROPOSED REVISIONS OF ADMINISTRATIVE RULES. a. University of Iowa Mission Statement. It was recommended that the board approve amendments to Section 6.04, Board of Regents Procedural Guide, and Section 12.1(1), Iowa Administrative Code, to correct the Statement of University Mission for the State University of Iowa.

The Board Office explained that the recommended amendments were part of a "clean-up" effort and did not include substantive changes. When the mission statement for the university was incorporated into the Code portions of the statement were omitted in the Code entry. These sections were added in a Notice of Intended Action to amend this section of the Code. The Administrative Rules Committee suggested that the section referring to enrollment growth in the 1970s be deleted, with other modifications as necessary. The university has made the recommended changes which are not substantive and serve primarily to delete dated references. Appropriate changes will be made in the Procedural Guide and in the Adopted Rule for correction of Section 12.1(1) of the Iowa Administrative Code.

MOTION: Mr. Brownlee moved that the board approve amendments to Section 6.04, Board of Regents Procedural Guide, and Section 12.1(1), Iowa Administrative Code, correcting the Statement of University Mission for the State University of Iowa. Dr. Harris seconded the motion and it passed unanimously.

A copy of the revised statement follows.
6.04 Statement of University Institutional Missions

A. University of Iowa

The University of Iowa is committed to undergraduate, professional, graduate, and continuing education. To discharge this commitment, as part of its established missions, the university engages in teaching, research, and appropriate extension, health, and other public services. The university is recognized as having a broad mandate in order that it may continue to be a distinguished state university, offering preprofessional courses; the full panoply of undergraduate liberal arts and science courses; graduate and professional work in law, medicine, dentistry, pharmacy, nursing, engineering, and allied fields related to these professional disciplines, as well as social work, business administration, journalism, education (early childhood, elementary, secondary, and higher), library science, and all the liberal arts and sciences. It will offer no major programs in agriculture, architecture, forestry; industrial arts, veterinary medicine, agricultural, aeronautical or ceramic engineering. It will be characterized by a general orientation toward human growth, the health sciences, the humanities, the fine arts, and the social sciences. It will continue to maintain strong programs in the physical and biological sciences and engineering.

The University of Iowa has sought will seek to maintain a balanced enrollment. It has done will do so in recognition of the joint responsibility it has with the other Regent institutions, the private colleges, and the community colleges to provide a greater variety of educational opportunities to a larger and more diversified group of students. A much slower rate of enrollment growth in the 1970's is anticipated than occurred in the 1960's. The bulk of this growth will be in professional-oriented curricula of both the pre-and post-baccalaureate colleges of the university. Many of these programs will be health-oriented and therefore fall within the well-established traditional role of this university.

Future programs will be determined by the continuing study of existing programs and of developing needs. Programs will be curtailed or eliminated when the assessment of need and resources indicates that resources could better be devoted to other programs. The university approaches the addition of new programs with considerable caution. Generally, new programs are fashioned out of existing programs in response to developing needs. But if the university is to remain vital, it must consider at the appropriate time the development of some new programs that fall within its general mission and that meet the new needs of students and of society.
b. Capital Improvements Procedures. The Board Office recommended that Section 9.01 of the Board of Regents Procedural Guide, through the administrative rules process, be amended by striking Section C and the exception noted in Section B.

The Board Office said the proposed action would delegate initial public hearings on all capital projects which exceed $10,000 to the institutional level and eliminate public hearings held by the board on construction contracts funded by academic revenue bond or hospital revenue bond proceeds.

While virtually all initial public hearings are delegated to the institutions and are normally held just prior to opening of bids at the institutions, there is an exception written into the administrative rules for public hearings on construction contracts financed in whole or in part by academic revenue or hospital revenue bond proceeds. In those instances, the board normally adopts a resolution scheduling the public hearing at a meeting one month prior to that public hearing. This began because of an interpretation of bidding law by bond counsel at the time the first academic revenue bonds were issued. That interpretation has now changed.

The proposed process will eliminate the problem of holding public hearings after bids have been received and will delete some rather routine docket items. The procedure will be fairer to prospective bidders because if they have any objections to the plans and specifications or to the project, they can be raised at the time bids are submitted.

Regents' bond counsel holds that the board is not prohibited from taking the recommended action. The new procedures would go into effect as soon as the administrative rules process is completed.

Regent Bailey, noting that he originally raised the question of the order of events in this process, said this plan would be a good idea as long as the board did not delegate any substantive rights. Mr. Richey said no substantive rights were being delegated since the institutions must report to the board on any problems that arise out of public hearings.

Mr. McMurray noted all other initial public hearings on capital projects are currently delegated in this manner.

MOTION: Dr. Harris moved that the board approve amending Section 9.01 of the Board of Regents Procedural Guide, through the administrative rules process, by striking Section C and the exception noted in Section B. Mr. Bailey seconded the motion and it passed unanimously.

A copy of the amended section follows.
IX. CAPITAL PROCEDURES

9.01 Public Hearing

A. Before any municipality shall enter into any contract for any public improvement to cost $5,000 or more, the governing body proposing to make such contract shall adopt proposed plans and specifications and proposed form of contract therefor, fix a time and place for hearing thereon at such municipality affected thereby or other nearby convenient place, and give notice thereof by publication in at least one newspaper of general circulation in such municipality at least 10 days before said hearing (Code 23.2).

1. The word "municipality" as used in this chapter shall mean county, ... township, school corporation, State Fair Board, State Board of Regents, and State Department of Social Services (Code 23.1).

2. At such hearing, any person interested may appear and file objections to the proposed plans, specifications or contract for, or cost of such improvement. The governing body of the municipality proposing to enter into such contract shall hear said objections and any evidence for or against the same, and forthwith enter of record its decision thereon (Code 23.3).

B. When the estimated cost of construction, repairs, or improvements of buildings or grounds exceeds $10,000, initial public hearings are conducted by the chief business officer of each institution, or designee of such officer, except as noted in §23.06. Reports of public hearings are filed with the executive secretary by the chief business officer. All final hearings required by law are held by the board (four administrative Code 230-8, 6, 1).

C. If any project is financed in whole or in part by academic, revenue, bond or hospital revenue bond proceeds, the public hearing is held by the board at a regular meeting.

C-1. Except in unusual circumstances, the board adopts a resolution by roll-call vote setting the date, place, and time of the hearing. This resolution is noted on at a meeting prior to the date set forth in the resolution for the hearing.

C-2. The procedure for a board held public hearing is: (1) call the meeting to order; (2) call the roll; (3) state that time to the day, hour, and place set for the hearing on the proposed plans, specifications, and proposed form of contract for (project); (4) ask whether anyone present wishes to register objections concerning either the proposed plans and specifications or proposed form of contract; (5) ask whether the executive secretary received any written objections to the project; (6) if no objections; (7) close the meeting; (8) conduct the public hearing closed (four administrative Code 230-4, 6, 2).
APPOINTMENT OF CHIEF NEGOTIATOR FOR COLLECTIVE BARGAINING AT THE UNIVERSITY OF NORTHERN IOWA. It was recommended that the board retain Joseph E. Flynn, of the firm Peterson, Popovich, Knutson and Flynn, St. Paul, Minnesota, as Chief Negotiator for the board in collective bargaining with the United Faculty at the University of Northern Iowa, and authorize the executive secretary to negotiate and execute a contract of retainer on behalf of the board.

It was noted that Mr. Flynn served as chief negotiator in bargaining for the current agreement with the University of Northern Iowa faculty which expires June 30, 1981. President Kamerick recommended that he be retained again to negotiate an agreement for the 1981-83 biennium. His rate for this work is $65 per hour.

The Board Office recommended that a written contract be entered into with Mr. Flynn's firm for the hourly rate stated.

Mr. Richey indicated that there was an assumption Mr. Flynn would be working under the same relationships that existed during the last negotiations with respect to the board, executive secretary, and institutional administration.

MOTION:        

Dr. Harris moved that the board retain Joseph E. Flynn as Chief Negotiator for the board in collective bargaining with the United Faculty at the University of Northern Iowa and authorize the executive secretary to negotiate and execute a contract of retainer on behalf of the board at a rate of $65 per hour. Mr. Wenstrand seconded the motion and it passed unanimously.

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

Merit increase:

Ellen L. Discher, Secretary II, to $12,147 after annual merit evaluation, effective June 20, 1980.

Resignation:

Frances L. Gundrum, Merit Examination Program Administrator, effective July 31, 1980.

President Petersen expressed appreciation for the work Fran Gundrum has done in the Regents Merit System.

In the absence of objections, President Petersen ratified the actions shown on the Register of Personnel Changes for the Board Office.
FINAL INSTITUTIONAL BUDGETS 1980-81. It was recommended that the board receive the report on the detailed institutional budgets for 1980-81 and ask the institutions to present how they propose to revise their 1980-81 operating budgets in response to the 3.6% across-the-board appropriation cut ordered by the Governor at the September board meeting.

The Board Office reported that the proposed detailed budgets for FY 1980-81 were in agreement in total income and expense with those approved in the preliminary budget for 1980-81, or $406.7 million exclusive of the Board Office.

Total Regent institution income of $406.7 million in general funds included $262 million in appropriations and $144.7 million in institutionally derived income. Distribution of institutionally generated income was 36% from tuition and fees, 5% from federal funds, 51% from sales and services, and 8% from other income.

Education and general expenditures for 1980, as proposed in detailed budgets, matched that approved in the preliminary 1980-81 budget. There were some modification in personnel categories including a reallocation of approximately $1 million in personnel services, previously reported as supplies and services. This adjustment related to service department charges, a substantial portion of which is labor. The adjustment was in line with Regent policy to report all personnel services in personnel service categories. Overall, the planned change in expenditures amounted to 8.2%.

Special purpose appropriations approximated $3 million. There was a change in the information reported in the preliminary budget review in the Mental Health Authority appropriation. A supplemental appropriation of $90,000 for 1980-81 was inadvertently omitted. In addition, salary adjustment fund allocations were added for both years of the biennium. This appropriation is made to the Mental Health Authority and the University of Iowa administers the program.

The Board Office reported on 1980-81 budget support difficulties.

In the area of salary adjustments, there is a $600,000 deficit in the state salary adjustment fund. Regent institutions are $302,000 short of salary adjustment funds needed to continue 1979-80 operations in 1980-81 relating to personnel support.

In the area of federal fund losses, 1980-81 losses on medical education capitation grants were reported at $496,000 at the University of Iowa and $285,000 at Iowa State University. This $781,000 exceeds earlier estimates. Supplemental funding to cover this $656,000 was sought unsuccessfully during the 1980 legislative session.

On August 12, 1980, the Governor ordered a 3.6% cut in appropriations for all general fund operating appropriations. The reduction affects 12 separate appropriation units among the Regents five institutions as well as special purpose appropriations. The Governor moved to reduce appropriations in order to assure that the state finishes FY 1980-81 without a treasury deficit. He cited the Iowa Code, Chapter 8.31, with an Attorney General's opinion to support the across-the-board cut. The code section used specifically cites the State Board of Regents.
GENERAL
August 21-22, 1980

The Board Office noted that the institutions have been asked to review where appropriation cuts may be made with the objective of minimizing damages to programs. Therefore, detailed budgets approved at this time do not represent final budgets for FY 1980-81.

The Legislative Fiscal Director has been asked to ascertain from the Board of Regents how it plans to apply the reversion. Mr. Richey told the board that each institution was asked to report in summary form about this so the board could raise any questions. (These explanations can be found in the discussions on final budget summaries in each of the institutional sections of these minutes.)

The Board Office recommended that the board receive the above report and ask Regent institutions to present at the September board meeting how they plan to revise their 1980-81 operating budgets in response to the appropriation cut ordered by the Governor.

Mr. Richey noted that the total budget reduction required by the 3.6% cutback in appropriations amounts to $9,433,000. In addition to this amount, there is the $302,000 shortage in the allocation of funds for salaries by the State Comptroller. Mr. Richey explained that funds are appropriated by the Legislature to the State Comptroller to cover salary increases and suggested that this method of appropriation has serious shortcomings. No agency can be assured that the salary policy adopted by the General Assembly will be financed until they know what the Comptroller allocates. Until this year, the Regents received their appropriation directly and did not have any problems.

Regent Bailey said that if the State Comptroller is trying to circumvent Legislative intent, the board should go to bat on this issue. Mr. Richey did not know how the shortage in salary funds resulted. It could have been a mistake in the Comptroller's estimates. The figures turned in by the Board of Regents were accurate. It is also possible that some of the money was shifted from the estimates to other areas.

Mr. Richey said the real issue in this area is the method of making a lump sum appropriation for all state agencies. This means the board has no idea of how much money it will have because the Board of Regents portion is not a line item within the lump sum. Mr. Richey said the board should consider this subject with respect to a specific policy to get the appropriation made to the board.

Another problem mentioned by Mr. Richey is common to all three universities. They did not change enrollment estimates from what was assumed a year ago. If there is substantially greater enrollment beyond that anticipated, the universities will have to ask for budget ceiling increases early in the year. He noted that all of the universities were fairly conservative in their estimates of enrollment for fall 1980.

President Petersen received the report on behalf of the board.
FINAL BOARD OFFICE BUDGET FOR 1980-81. The board was asked to approve the revised budget for the Board Office for fiscal year 1980-81 in the amount of $605,382 with the understanding that a proposal for further revisions to reflect the 3.6% reduction of appropriations mandated by the Governor will be made to the board in September.

The Board Office noted that the revised amount of $605,382 compared to $609,849 of the preliminary budget approved in June. The lower figure was caused by a lower than estimated allocation of appropriations for salary increases by the State Comptroller's office of about $5,000. The revised budget also reflected the salary increase of 7% granted to the executive secretary by the Governor. The figures did not reflect the 3.6% Reduction of appropriations mandated by the Governor.

It was noted that personnel from the Board Office would be working with analysts in the Office of the State Comptroller to attempt to ascertain why the allocations from appropriations for salary increases were less than anticipated. If an understanding of this problem is not reached and an adjustment in the amount of appropriation allocated is not made, this problem will continue to the detriment of the operation of the Board Office.

Mr. Richey noted that the allocations to finance salary increases was almost $5,000 less than necessary. The allocation did not include the $1,000 necessary to finance the increased salary of the executive secretary. He noted that there was a similar problem several years ago when the salary allocations did not comply with the policies approved by the Legislature.

Mr. Richey said it was recently learned that the funds allocated for salary increases for the Board Office included only the 5.4% across-the-board increases granted earlier. There were no funds allocated to cover merit increases.

Fortunately, said Mr. Richey, the Board Office has two personnel vacancies - the position of Employment Relations Director and a position in the Regents Merit System. The savings from these two positions will be adequate to meet the budget cutback of 3.6%. This will make it necessary to change the funding for the office. The Board Office has been receiving institutional reimbursement for the Regents Merit System, the Employment Relations unit, and the Equal Employment Opportunity unit. Because all of the savings are in the areas financed by the institutional payments, it will be necessary to use some of those payments for other functions in the office.

Mr. Richey indicated that he reviewed the Board Office budget to find ways to ease the payments made by the institutions. There may be some savings which can be made for the institutions during the year but this can not be relied upon. He also indicated that there are some needs for reorganization in the Board Office and he would like to take this opportunity to accomplish that. One of the areas in which reorganization is needed is that additional staff is needed to work in the facilities area and in the legislative services area. He said this reorganization would be done within the proposed budget and after the 3.6% savings have been made.
Mr. Richey added that one reason the Board Office has been able to stay within its budget this year is that many of the board members are not turning in claims for expenses. He said board members should turn in legitimate expenses but this has helped to balance the Board Office budget in the last couple of years.

Regent Bailey wondered if it was fair not to revert the money paid by the institutions to the Board Office back to the institutions if the money is not used for the Merit System, Employment Relations, and Equal Opportunity units. Mr. Richey explained that the board has authority to use the funds from the institutions for whatever purposes it chooses. Regent Bailey assumed that the institutions have not been getting as much service and, in the interest of fair play, asked if the institutions had any objections to using these funds for other purposes in the Board Office. None of the institutions raised any objections.

MOTION: Dr. Harris moved that the board approve the revised budget for fiscal year 1980-81 in the amount of $605,382 with the understanding that a proposal for further revisions to reflect the 3.6% reduction of appropriations mandated by the Governor will be made to the board in September. Mr. Shaw seconded the motion and it passed unanimously.

REPORT ON UNIT COST STUDY FOR 1978-79. It was recommended to the board that it accept the university unit and variable cost of instruction reports.

The Board Office noted that in a change from previous years, the universities prepared variable unit cost of instruction reports based on the unit cost of instruction study with concurrent transmittal.

The basic purpose of the unit cost study is to compute average costs for each full-time equivalent student, defined as 31 semester credit hours or its equivalent. Costs are distributed to instruction among five student levels - lower division, upper division, master's, advanced graduate, and professional.

Variable unit cost of instruction, derived from the unit cost of instruction report, segregates costs by level of student that are more closely related to changes in enrollment levels. Fixed costs have been removed from the computation. Variable costs have been used to calculate funding needs for enrollment increases in the appropriation request process.

Based on established definitions of what university programs are included in the unit cost of instruction report and what programs are appropriately excluded, total cost information has been compiled by each institution as follows:
Programs Included in Instructional Unit Costs

Instruction  
Organized Research  
Academic Support  
Student Services  
Institutional Support  
Plant Operation and Maintenance, excluding Building Repairs

Programs Excluded from Instructional Unit Costs

Building Repairs  
Public Service  
Scholarships & Fellowships  
Auxiliary Enterprises  
Health Care Units  
Academic Support - Selected Activity  
Indirect Cost Recovery

Total program expenditures for Regent universities amounted to $224 million in 1978-79 exclusive of restricted funds. These costs were distributed among the included and excluded programs listed above. The two-year increase in total general operating expenses was 20%.

In the area of expenditures categorized by student level of instruction, included program costs were distributed to the five student levels of instruction. Additional costs approximating 1% of total instructional cost were excluded in distributions by level of student. These additional exclusions were physical plant and institutional support costs attributable to previously excluded programs.

In the 1978-79 unit cost study, the instruments used for collecting faculty activity information were not uniform. It was unknown to what degree of cost variations by level of student result from different faculty activity reporting methods. The Board Office noted that the Committee of Nine will address the problem of uniformity of collecting instructional effort information in preparation for the 1980-81 unit cost study.

University costs included in the unit cost of instruction and those excluded increased 19.6% from 1976-77 to 1978-79. University costs excluded from instructional unit cost computations increased 33.2% from 1976-77 to 1978-79. Indirect costs and other cost categories not related to the instruction function except in a remote way were excluded.

Costs excluded increased at a substantially greater rate than costs included. An analysis of excluded costs shows significant increases in building repairs, public service activity, and federal indirect cost reimbursement for contract and grant administration. Building repairs and federal indirect cost reimbursements showed growth in the 35% to 45% range over the two-year reporting cycle. Given the significantly different rates of growth in costs included in unit cost computations and those excluded, the Committee of Nine will review the content of inclusions and exclusions prior to the 1980-81 unit cost study.

The total number of full-time equivalent students increased from 1.1% to 3.5% among the three universities over the two-year period. Unit costs of instruction per full-time equivalent student over the same period of time increased 14.5% to 19.6%.
The Board Office presented highlights of the universities' analyses.

**University of Iowa.** Unit cost increases for the two-year period ranged from an unusually low 2.2% for lower division to 23.5% for advanced graduates. Price inflation and changing numbers of student full-time equivalents at each student level were primary contributors to average cost change. Other factors cited as impacting unit costs were average class size, amounts of resources available, and the use of graduate teaching assistants at the lower division level. The use of teaching assistants and a 7.8% increase in lower division student-full time equivalents combined to produce the cost increase of only 2.2%. Average unit costs for upper division students of 18.3% appear to be impacted by a 2.5% reduction of student full-time equivalents. Master's and advanced graduate student levels also show a decline in student full-time equivalents with a concomitant impact on cost increase. At the professional student level, it was reported that use of medical practice plan earnings have increased to supplement general educational fund sources. This tends to hold down average cost increases as medical practice plan earnings are not current funds and are excluded in instructional cost computations.

**Iowa State University.** There were changes in average costs for each student full-time equivalent ranging from 13.6% at the lower division level to 31.9% at the master's level. A 15% decline in student enrollment, coupled with a modified cost allocation method, resulted in a 31.9% cost increase at the master's level. At the advanced graduate level, where a 21.3% increase for the two-year period was reported, enrollments increased 7%. The cost per full-time equivalent student also increased. The increased cost, in part, was the result of modified cost allocations. Overall, price inflation was reported as being the principle cause of an 18.2% price rise in unit costs among the five student levels of instruction.

**University of Northern Iowa.** Unit cost increases for the two-year period ranged from 15.0% to 23.6%. Unit costs were substantially affected by continuing changes in definitions for reporting students by level of instruction. It was reported that in the master's student level, where student headcount has remained relatively constant, student full-time equivalents have declined. This would indicate a reduction in average load per student headcount. This circumstance tends to result in increased average costs per full-time equivalent. It was noted that certain cost factors not reported in the 1976-77 study were included in the 1978-79 study resulting in some distortion of cost changes from the prior reporting period.

In summary the Board Office said that cost increases can be attributed primarily to price inflation. Changes in cost by level of student, however, are attributable to a variety of factors in different combinations. In general, price inflation increased at a substantially greater rate than enrollments increased. Revised enrollment levels were, in part, the result of re-defining levels of instruction.

When price inflation is removed from the cost analysis, as was done at the University of Iowa in a special review, real unit costs decreased 0.5% when compared to an overall enrollment increase of 1.1%.

The Board Office said the university variable cost of instruction reports excluded from unit costs of instruction those cost categories considered
fixed. Variable unit cost of instruction report excludes, additionally, organized research, library books, plant maintenance, and operations and equipment costs. The latter costs do not materially change as enrollment changes, at least in the short run. All remaining costs tend to move up or down more closely with changes in enrollments.

Variable costs of instruction increased from 14.5% to 16.2%. In addition, the variable cost factors or that percentage of unit costs designated as variable costs have declined from 1976-77 to 1978-79 at all three universities. This condition was explained in terms of university expenditure patterns over the last two years. There have been substantial increases in costs in most categories excluded from the variable cost analysis.

The Board Office recommended that the university unit and variable cost of instruction reports be accepted.

Vice President Martin indicated that the definition of 31 semester hours for a full-time student equivalent should be changed because the average loads of students have been declining. He said this would have some budgetary implications. Mr. Richey indicated that such a change would also have academic implications. There would be some questions about the basic time it takes students to complete a four-year degree. He suggested that this may not be a good time to cast doubt on the headcounts given. It may be possible to add more information discussing headcounts as a supplement to the report on unit costs and variable costs.

Regent Bailey was bothered by this idea because it would look like the universities are providing programs that students don't complete as fast as at other universities.

In response to another question by Regent Bailey, Vice President Christensen said some students take 18 hours or more, although they may not be taking the courses they want.

Vice President Madden commented that the Committee of Nine has been concerned with questions dealing with unit cost studies. The committee will meet to discuss procedures of the 1980-81 cost study. There is a long history of procedures for these studies, but there is also a new kind of data base available. He noted that all of the institutions have some questions about the procedures used and perhaps there is reason to review some of them. He also noted that the committee includes members from the registrar's offices and from accounting areas who would have some insight into the problems.

Regent Shaw said that since the universities are involved in considerable graduate and considerable undergraduate education, that they must be careful not to underserve one group at the expense of keeping the other group up. He noted there could be an inequitable distribution of resources if students must attend the institution for five years instead of four years.
Regent Bailey wondered if the board was creating problems for itself by using the variable cost. Mr. Richey said it is better to use the variable cost on an enrollment downturn because it is lower than full cost. The lower increment per student was deliberately established as a policy in case of such a downturn. The potential loss in funds per student is significantly less than if full costs had been assigned if enrollments decline.

In response to a comment from Regent Wenstrand, Mr. Richey indicated that the figures in the report are reported externally. Mrs. Petersen pointed out that they are official cost figures developed by the Committee of Nine and the Board Office.

President Petersen accepted the report on behalf of the board.

INSTITUTIONAL BUDGET REQUESTS FOR OPERATIONS FOR 1981-83 BIENNUIUM.

a. Development and Overview. The Board Office provided a brief statement on the development process, an overview of the components of the request budget, and a preliminary timetable.

In the area of essential program adjustments, the board was asked to defer specific action until the September board meeting so the Board Office could do further review. The board will also be asked to give preliminary review to tuition policy for the 1981-83 biennium at the September board meeting. It will be asked to take action at that time on any revised amounts and/or narrative as a consequence of its actions at this meeting.

It was anticipated that at the October board meeting the board will review and take final action on tuition and fees at the universities for the 1981-83 biennium. Paralleling those decisions, the board will be asked in October to adjust, if necessary, levels of student aid so that support available to students will reflect board actions.

President Petersen said the board takes the condition of the state at this time very seriously. It is the responsibility of the board to articulate and to report to the Governor, Legislature, and citizens of the state the needs and conditions of the universities.

Mr. Richey noted that in the Board Office's preliminary review, no recommendations were made regarding requests for essential program needs. Recommendations also were not made in regard to salary policy.

He said there were some policy items as well as monetary items yet to be discussed in these areas.

Another item deferred was enrollment growth. This will be discussed after fall 1980 enrollments are known and the institutions have had an opportunity to re-project enrollments for the next biennium and for the next ten years.

Discussion on the tuition policy was being delayed so that students would have an opportunity to have full input into this issue at the institutional level.

As chairman of the Interinstitutional Budget Committee, President Kamerick spoke in behalf of the universities. However, since the University of
Northern Iowa is involved in collective bargaining, President Kamerick said it would be inappropriate for him to present the request for salaries of nonorganized faculty. Therefore, he would ask Presidents Boyd and Parks to make that presentation along with the request for salaries of professional and scientific personnel.

b. 1981-83 Institutional Goals & Program Descriptions. It was recommended that the board accept the revised institutional goal and program description statements for use in Regent 1981-83 budget request documents.

The Board Office explained that institutional goals and program descriptions have been developed for each budget unit among Regent institutions and noted that these documents become widely distributed.

Institutions were asked to revise, if appropriate, the goals and program description statements currently found in the State Comptroller's data base. Some budget units made changes while others did not. The Board Office presented a summary of the modifications in general terms.

University of Iowa. There were minor modifications of dates and years in the area of the General University. For University Hospitals and Clinics there is a significant change in the targeted staff support per occupied bed ratio from 3.8 to 4.9. There were no changes for the Psychiatric Hospital or the State Hygienic Laboratory. There were comprehensive rewrites of the Hospital School's goal statement and professional services program but they appeared to be an edit of form rather than substance. In regard to the Oakdale Campus there were significant edits to the goal statement and modifications to all program descriptions except one. A plant operations and maintenance program description was added. The Board Office suggested that the board review the revised statement for the Oakdale campus in view of a recent shift of management from the health care complex to the main campus.

Iowa State University. There were no changes in the program goals and descriptions for the general university, Agriculture Experiment Station, or Cooperative Extension Services.

University of Northern Iowa. There were minor modifications to all programs except scholarships and fellowships where the university added university policy on awards.

Iowa School for the Deaf. For the general campus the description broadens the scope of services reported as academic support.

Iowa Braille and Sight Saving School. In the area of the general campus there was modification to the institutional goal to add providing resources to local and area education agencies when special services to visually impaired may not otherwise be available. It also modified the academic support program to encompass the added institutional goal and eliminate the function of recreation in the description of the student services program.

The Board Office recommended that the institutional (budget unit) goals and program descriptions be approved for use in the 1981-83 budget request cycle.
President Petersen began discussion by noting that the program goals and descriptions are very important because they become the basis for inclusions and exclusions in the requests the board makes.

In reference to the change in targeted staff support at University Hospitals and Clinics, Regent Bailey thought this would lead to substantial increases in costs to patients. He said such a change should be based on facts other than that many other hospitals have personnel shortages at the present time.

President Boyd said that the university sought increased coverage because it is, relatively speaking, so low to other hospitals. Even with the proposed increase, the University Hospitals will still be relatively low. He said there is a question of how much is too low. He pointed out that the University Hospitals has the largest bed count of all university hospitals with the lowest cost. At the same time, he said, there is a shortage of adequate coverage for delivery of health care.

Regent Bailey was concerned about basing this issue on a comparison basis. He said if the hospital is doing its job with its current personnel, it is not logical to increase personnel because it should need more people.

President Boyd said the reason for a change in staff is to be sure the quality of care is commensurate with the undertaking. The quality of care is more difficult to achieve because there are now more difficult and expensive medical procedures. There are procedures with which risks can not be taken and procedures to which risks should not be added to those that already exist. President Boyd said the hospital staff is feeling pressed in terms of their responsibilities and the adequacy of staff and time. The proposal to change the targeted staff support is not based on a relative situation but is based on the university's perception of what is quality care in the light of historically complicated procedures.

President Petersen noted that the kinds and types of patients in University Hospitals changes continually and this also impacts on the personnel needed. There are more complicated and critical medical situations. In the past a larger percentage of hospital care was for the indigent patient. As that percentage changes, more kinds of disease entities are treated which requires a higher level of staffing.

President Boyd said any form of medicine is now more complicated than it was twenty years ago. He considered the principle in question to be the quality of care.

One of the great issues, said President Boyd, is whether biomedical research should be stopped because it leads to more expensive procedures. Techniques are expensive and difficult to perform. However, the people who have the option of undergoing these procedures, such as a transplant, want to be able to take advantage of them. The procedures must be performed as skillfully as possible.
President Petersen mentioned that the emergency rescue system has also had an impact. As severe emergency cases are brought to the hospital, more staff are needed to handle these emergency situations.

President Boyd said that day-to-day activities and flexibility of these activities must also be recognized. He explained that there are many people involved in the treatment of one patient. Some procedures are so complicated that they require more than a single physician to perform.

Regent Bailey indicated he was more concerned about the hospital not having staff when it needs them. He questioned a goal of having so many people on the staff because that is what is done at other hospitals. President Boyd said the people were needed. Regent Bailey thought it would be possible to have a situation in which there were so many people involved that they would be in each other's way.

Regent Shaw, noted that medicine is consuming more and more of a limited GNP, and that medical costs must come under some kind of control.

President Boyd said there does come a time when the university must defer to the professionals in this area. It is the judgment of these professionals that the hospital must be commensurate to provide quality care and to guard against untoward liability.

Regent Harris suggested that it might be helpful if the hospital prepared some sample diagnoses showing the various services which are absolutely necessary and provided by the institution for each diagnosis. These examples should include the reasons why the services are provided since in some instances, such as with Medicare patients, demands are made that certain things be done. This includes quality assurance programs and discharge planning which are good services but are costly. He thought this would give the board a better understanding of the difficulties encountered in controlling medical costs.

President Boyd said that this topic should be discussed in the Quarterly Report of the hospital which the board will receive in its role as trustee of the hospital. President Petersen indicated scheduling would be arranged for an opportunity to have the board informed.

MOTION: Mr. Brownlee moved that the board accept the revised institutional goal and program description statements for use in Regent 1981-83 budget request documents. Mr. Neu seconded the motion. The motion passed with Mr. Bailey opposed.

c. Economic Conditions Impacting the 1981-83 Budget Request. The Board Office noted that the financial condition of state government is influenced by the economic conditions of the state, nation, and world. Reports by the Chase-Manhattan Bank and the Data Resources, Inc., were briefly discussed. In view of these reports, the Board Office said it would be risky to predict an inflation rate appreciably below 10 percent for the 1981-83 biennium. Considering the likelihood that Congress will delay actions to reduce long-term inflation and the potential for stimulative economic action, it is reasonable to predict inflation rates in the 10-12 percent range or even higher depending upon a particular component of institutional budgets such as library books.
The Board Office noted that due to a decline in the Iowa economy during recent months, the Governor revised the state budget for 1980-81 for the final appropriations from his January "Condition of the State Message." On August 12, 1980, he issued an executive order which reads in part:

3. I hereby direct the implementation of Section 8.31, the Code, requiring the uniform modification of allotment requests filed pursuant to that section for each of the remaining three-quarters of the fiscal year to achieve an annual 3.6 percent fiscal year reduction in each respective appropriation unless subsequent projections provide good reason to alter these findings.

4. I further direct the State Comptroller to prepare such modified allotments for the second quarter of fiscal year 1981, which commences October 1, with the exception of appropriations excluded by Section 8.2(1), the Code, pertaining to the courts, the legislature, constructive trust funds such as tax refund allocations, federal highway matching funds, and obligated, encumbered or contracted capital items.

5. I ask the Governor's Economic Advisory Council to meet at least 15 days prior to the commencement of each quarterly allotment period for the purpose of evaluating the Iowa economy and its likely effect on budget resources.

The Board Office explained that the 3.6% reduction in appropriations is to eliminate a $63.7 million deficit in the state General Fund. This assured reversions from salary savings and other planned savings of $22.1 million plus an additional $40.9 million of budget adjustments.

Expenditures and appropriations to the Regent institutions for 1976-77 as a percentage of personal income appeared to be approaching the level at the start of the 1970's, after declining during the 1972-74 period. A significant portion of the decline was attributed to reductions in capital appropriations and expenditures. About half of the reduction in expenditures and appropriations as a percentage of personal income occurred in general program operations. While the earlier percentage relationship is being restored, the impact of inflation erodes and reduces real purchasing power. This adversely affects the ability to maintain institutional program operations.

The Board Office noted that the expenditures index and the appropriations index are below the personal income index indicating per capita personal income has increased more rapidly than either institutional expenditures or state appropriations.

The above report was presented for information purposes and no board action was required.
d. 1981-83 Operating Budget Request - Regent Institutions. The Board Office recommended that the board review preliminary requests for each category of expense in the table below and give further direction to the board staff in anticipation of final action at the September board meeting.

### Board Office Recommendations

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<tr>
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<td><strong>Total</strong></td>
<td><strong>$406,632</strong></td>
<td><strong>$432,789</strong></td>
<td><strong>$458,950</strong></td>
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As part of the budget development process, Regent institutions established a basic set of assumptions which are summarized in the table on the following page.

The Board Office compared its recommendations to these assumptions.

In the area of salaries and benefits, preliminary Board Office recommendations called for Merit and FICA adjustments at this point only in the process of salary policy development.

For fuel and purchased electricity institutional requests were at the 15% price inflation level while the Board Office proposed 14%.

In regard to supplies and services the institutions requested 9% annually for keeping up with inflation and additional 8% the first year and 4% in the second year to catch up with lost purchasing power in previous periods. The Board Office recommended 15% annually with 9% attributable to keeping up with price inflation each year.

In the area of equipment the institutional requests were based on an equipment replacement formula assuming an eight-year life expectancy for equipment with the general fund assuming two-thirds of the cost. Board Office recommendations were based on a formula calling for a ten-year useful life with the general fund supporting 50% to 95% of total replacement cost requirements depending on the institution and its ability to acquire federal funds for equipment.

For library books, institutional requests were based on a 25% annual keep-up cost. The Board Office recommended an annual 18% keep-up cost while proposing an additional 7% annually to catch up for lost purchasing power during the current biennium.
<table>
<thead>
<tr>
<th>Expense Category</th>
<th>1981-82 Assumptions/(Recommendations)</th>
<th>1982-83 Assumptions/(Recommendations)</th>
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<td>3% + FICA (Same)</td>
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<td>Merit, Merit Annualization &amp; FICA (Same)</td>
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<td>Fuel &amp; Purchased Electricity</td>
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<td>Supplies &amp; Services</td>
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<tr>
<td>Library Acquisitions</td>
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<td>Building Repairs</td>
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<td>Essential Program Adjustments</td>
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<td>6% (6%)</td>
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</table>

1/Program costs are to be displaced to reduce total of 1980-81 budget for modified base budget analysis. Displaced costs are to be submitted as decision packages.

2/To be submitted as decision packages.

3/To be entered on SB Schedule 4CC Part 2 (Field Type AJ) rather than as a displaced program cost.

4/Pay plan proposals to be considered separately.

5/Formula cost less keep-up factor for institutions; formula cost only for board recommendation.

6/Preliminary adjustments are not to exceed 5% of 1980-81 budget base.
In the area of building repairs the institutional requests followed a continuation of a life-of-building approach or formula for calculating building repairs. The Board Office recommendations followed the formula but included an additional 9% price inflation keep-up factor to correct an inherent understating of costs through the formula.

The Board Office noted that it did not make recommendations on the categories of essential program adjustments, federal fund losses, enrollment increase funding, or tuition rates and income.

The Board Office asked the board for further guidance on its priorities relating to essential program adjustments before making specific recommendations. It noted that federal fund losses should be considered when discussing essential program adjustment in terms of establishing Regent priorities. State budget formatting also suggested any enrollment increase funding recommendations be established within a set of essential program adjustment priorities.

There was indication that veterinary medicine capitation grants will be totally phased out in 1980-81 and the University of Iowa projected a complete phasing out of medical education capitation grants in the 1981-83 biennium. As a result of the programs being phased out in the new biennium, the universities will be under funded on existing programs at approximately the $1.7 million level. The Board Office said final action should be taken on these anticipated federal fund losses at the September 1980 board meeting.

The Board Office noted that none of the universities formally requested enrollment increase funding and recommended that no action be taken on any formal request until fall 1980 enrollment has been analyzed.

The Board of Regents will give preliminary review to tuition rates for the 1981-83 biennium at its September meeting. Final action on tuition rates for the 1981-83 biennium will be taken in October.

A review of the 1979-81 budget request showed that Regent institutions estimated in 1978-79 there would be 54,731 student FTE produced for 1979-80. This approximates actual experience. At that time the universities estimated there would be 55,134 student FTE produced for 1980-81. Current estimates indicate experience this fiscal year may produce 55,700 student FTE among the universities.

The Board Office suggested that the board consider the following issues in its deliberations on the preliminary new funding requests: essential program adjustment priorities, tuition rates and other institutional income considerations, fuel and purchased electricity appropriation pass-through continuation, federal fund losses and their priority, enrollment increase funding and its priority, extension and continuing education requests as Regent appropriations, salary adjustment funding as Regent appropriations, and keep-up costs as program displacement costs.

Discussions on the categories listed in the table above are contained in the following pages.
e. 1981-83 Operating Budget Request - State Format Requirements. The Board Office said that subsequent to Regent action on the various elements of the request budget for the 1981-83 biennium, Regent institutions and the Board Office will be required to convert, in part, Regent decisions to specific formats acknowledging certain State Comptroller budgeting requirements.

The basic request will be the 1980-81 base budget with selected adjustments to allow for the continuation of existing program. To stay within the approved base budget, every added dollar described as program continuation cost displaces an existing dollar of base budget. The sum of these displaced program dollars, along with any additional funding requested, then become the total of additional funds requested. In turn, all additional funds requested are to be established in a set of specific activity requests called decision packages and presented in unique priority order.

In reviewing the state of Iowa Budget Procedures Manual 1981-83 Biennium from the Office of the State Comptroller, the following are instructive of the fiscal environment in which anticipated executive branch review may take place.

State agencies have been requested to displace programs to the 90% of 1980-81 base budget level. That is a starting place for decision package requests.

A 5% price inflation factor has been established for non-personnel items in the second year of the biennium only.

It is assumed there will be no significant changes in the general fund tax structure.

Hiring restraints and other discretionary spending restraints implemented during the 1979-81 biennium will be continued in the 1981-83 biennium. The total number of state employees can not increase. Except for new facilities, new positions will not be added.

A large portion of revenue growth is committed in the school aid formula personal property tax replacement.

Everything within reason should be done to conserve energy before requesting additional funding for utilities and vehicle fuel.

Departments will not ask for pay plan adjustments. This will be handled by the Governor in cooperation with the Merit Employment Department through the collective bargaining process (in reference to professional, scientific and general service employees).

The Board Office noted that it is impossible to meet the Comptroller's staff's deadline of August 15, 1980 for transmittal of information and that it has been agreed the information will be supplied to that office as it becomes available.
Mr. Richey noted that the decision packages would involve a great deal of paperwork and that was why some of the budget decisions needed to be made tentatively at this time. It will take much time to read and understand all of the information. He noted that the state is proposing to review a portion of the budget base as it has done for several biennia and that portion would be dealt with the same as in prior years.

In answer to a question from President Petersen, Mr. Richey said it was being assumed that the board would be given the same consideration at this time as it has been in the past. He said that a base budget displacement of $20 million to $25 million would be presented at the next board meeting. This amount is based on 9% to 18% inflation assumptions and a 3% adjustment in the base for salaries. If the board adopts something other than these percentages, the total amounts would be changed.

Regent Shaw noted that at the present time the Comptroller is not requesting any salary information and asked how this would be approached. Mr. Richey said the board would have to address the timing of presenting the salary policies and information to the Governor. He noted there were several alternatives on this matter. Regent Shaw said that as a matter of strategy, it might be better to wait to present this until there is a more receptive mood. He noted that the board would not be precluded from discussing the salary issue in public.

Regent Shaw also asked about the issue of tuition. President Petersen indicated that board policy requires that at least six month's notice be given to students of any change in tuition. Regent Shaw said he would like to see the percentage to which tuition carries the teaching budget because that is a significant item.

f. 1981-83 Salaries and Benefits. The recommendations made to the board were that it give preliminary consideration to the reports and presentations of the institutions regarding salary needs of non-organized faculty and professional and scientific staff for 1981-83 and that it consider a preliminary salary and benefit budget of $326,437,000 for FY 1981-82 and $336,374,000 for FY 1982-83 for base increases for merit, FICA, and other mandated increases.

The Board Office presented background information in regard to faculty salary askings. Traditionally these askings have been based on the attainment of third place among salaries paid by universities in an area consisting of 11 nearby states. The table below shows the requests for the University of Iowa, Iowa State University, and the non-organized faculty at the University of Northern Iowa.

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<th>1981-82</th>
<th>1982-83</th>
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<tbody>
<tr>
<td>Catch-up for maintenance of competitive salary levels with comparable eleven-state areas</td>
<td>8%</td>
<td>8%</td>
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<td>Keep-up</td>
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<tr>
<td>a) Merit Base Adjustment</td>
<td>3%</td>
<td>3%</td>
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<td>b) Additional Keep-up</td>
<td>9%</td>
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<td>20%</td>
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The Board Office reported that the universities stressed the necessity of maintaining salaries competitive with other universities in order to attract and retain a qualified faculty which is vital to the excellence of a university. The universities also noted additional competition for faculty from non-university businesses and scientific communities. They pointed out the erosion of inflation on faculty salaries at the Regent universities and noted that faculty salary increases have fallen behind per capita income increases in Iowa. By contrast, the per capita income increases have more than kept up with inflation. The universities demonstrated that there has been an average difference of 2.4% per year for the past five bienniums in the amounts appropriated for faculty salaries and consumer price index increases. There has been a real increase in Iowa per capita income for the ten-year period 1969-1978.

For the University of Iowa it was noted that salary increases needed to attain the third place level in the 11-state area range from .04% in Dentistry to 22.5% in the College of Medicine. The overall cost represented an 8% increase in the total 1979-80 salary base. If total compensation is considered (salary and cost of fringe benefits), an 11% increase in the 1979-80 base would be needed to attain third place.

A survey of 1979-80 Big Ten university salaries by rank showed that University of Iowa average salaries for professors, associate professors, and assistant professors, including fringe benefits, ranked 8th, 7th, and 9th respectively. A survey conducted by the American Association of Universities including major universities from throughout the country showed 1979-80 University of Iowa average salaries for professors ranked 13th out of 21; associate professors 10th of 21; and assistant professors 15th out of 21.

A survey by the American Association of Universities on salaries by college and rank in 1978-79 and 1979-80 showed that Iowa State University professors ranked 18th in 1978-79 and 19th in 1979-80; associate professors ranked 14th of 21 in 1978-79 and 17th in 1979-80; assistant professors ranked 15th in 1978-79 and 18th in 1979-80; and instructors ranked 17th in both years.

For Iowa State University to attain a third place level in the 11-state area, costs would range from a 5% increase in the College of Veterinary Medicine to an 8.3% increase in the College of Engineering. A total increase of 5.07% in 1979-80 budgeted base salaries would be needed. If the College of Veterinary Medicine is excluded, the need would be 5.47%.

The Board Office explained that university salary requests for professional and scientific employees were similar to the request for faculty salaries.

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<tr>
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The universities reported that a comparison of average university salaries with salaries for like positions paid by other universities and employers conservatively justified the request for 1981-83. The University of Iowa reported an average difference of 7.8%, the University of Northern Iowa reported an average differential of 6.4%, and Iowa State University reported a differential of 8%. The universities noted that the surveys on which they based their requests showed 1979-80 salaries and they may have fallen further behind in 1980-81. They also pointed out that consideration of total compensation (including fringe benefits) would tend to indicate an even greater lag. As with the faculty, professional and scientific salaries have not kept up with real per capita income in the State of Iowa over the past ten years.

A review of the Iowa State University differential from salaries reported in a survey used by all Big Eight Universities showed that Iowa State salaries are behind in 24 of 43 positions. The average of percentage differences for all 43 positions is -2.5%. The average percentage difference in the survey of scientific positions indicates that Iowa State University is 26% behind, and 6.6% behind the average salary shown in a survey of data processing and computer jobs.

A comparison of University of Iowa salaries with those reported in a survey of selected benchmark positions showed that the University of Iowa salaries are behind in 21 of 28 positions. The average percentage of differences for all 28 positions is 7.8. A similar comparison of professional salaries at the University of Northern Iowa showed that university is behind in 18 of 22 positions, the average percentage of difference for all 22 positions is 6.4.

The Board Office noted that the superintendents of the Iowa School for the Deaf and Iowa Braille and Sight Saving School agreed that the salary schedule for teachers at these special institutions is generally in line with the schedule for teachers of regular public school classes in their respective localities. However, they are approximately 6% below pay for teachers at the Area Education Agencies in Council Bluffs, Cedar Rapids, and Waterloo. Superintendents Giangreco and DeMott recommended increases of 15% in salary appropriations for teachers in their institutions for each year of the 1981-83 biennium in order to maintain their competitiveness with the local market.

The Board Office said institutional proposals for faculty and professional and scientific personnel amount to approximately 20% annually. Approximately three-fifths is to keep up with inflation while two-fifths was proposed to attain a third place competitive ranking in the 11-state area. Institutional proposals for general service staff were for annualization of current year merit increases and new merit increases in the 1981-83 biennium. FICA adjustments with both base and rate implications were added to all institutional salary recommendations.

The Comptroller's procedural requirements list merit and FICA additions only at this stage of the budgetary process. The rationale is that pay plan adjustments "will be handled by the Governor in cooperation with the Merit Employment Department, and through the collective bargaining process."
The Board Office recommended that a comparable merit cost for all three categories of personnel be requested at this preliminary stage in developing salary policy for the new biennium both within Regent institutions and other state agencies. The net cost of this preliminary recommendation is $10,589,000 for 1981-82 and $9,937,000 for 1982-83.

President Petersen began discussion on this issue by stating that salaries are of the highest priority. President Parks agreed and said that the biggest news to come out of this meeting was that this asking the board would be recognizing a most important need of the universities if they are to maintain their quality as the people of Iowa want them to do.

President Boyd said the State of Iowa has nurtured the institutions and, in turn, the institutions have nurtured the State of Iowa. He said it is a time when the state is facing a lot of difficult economic issues and that an investment in the future should be made now. He said the issue concerned human creativity because of limited resources and human ingenuity in instruction and research. This means people are needed.

President Boyd indicated that he was speaking for the faculty at the University of Iowa, Iowa State University, and the non-organized faculty at the University of Northern Iowa. He thought the salary request was conservative and exceedingly reasonable. He made the points that inflation has directly reduced the purchasing power of faculty salaries and the competitive situation is a matter of enormous concern. The universities are increasingly competing with the private sector which also needs talented people and is able to pay for them.

President Boyd said the traditional goal of reaching third place in an 11-state area was very conservative. He noted that the Regent institutions are different from the others that are included in the 11-state area.

The 8% catch-up factor, said President Boyd, was very conservative because of the importance of accumulating a higher increase than provided for this year. In order to be competitive in the 11-state area, a 12% adjustment in salaries is necessary. The 12% was broken down into 3% for merit base adjustment and 9% for additional keep-up to comply with the Comptroller's format. The whole 12% would be based on individual assessment.

He said salaries are a part of competition for talent and competition for creativity in classrooms and laboratories. This means much to the future of the country in terms of development.

He noted that one of the problems the universities are experiencing is with the federal government. The government is paying more for comparable people. There is also trouble with the private sector in this area. The universities are having difficulty retaining and supporting the people who are already there and are having difficulty in recruiting.

He noted that there is no incentive for students to go on for the Ph.D. degree because MBA students can start at a salary of only about $1,000 less than a Ph.D. in the private sector.
He said there is a relative situation with respect to state funds. University salary increases have fallen behind increases in the general price level. Other Iowa income levels have kept up with inflation. Relative speaking, he said, when the state has had considerable difficulty, the burden has been borne by the faculty and staff. And during a time when enrollments have been increasing, this burden has also been increasing.

President Boyd said the faculty have been doing a great job and that there is a perception that the quality of university programs has been increasing.

He said the salary asking at this time is crucial to the future of the institutions. It is the people and instructors that make the universities. The state can not retreat from the responsibility that it has to keep the institutions moving forward and a successful case for salaries must be made in this biennium.

President Boyd then introduced several faculty members from the institutions who made presentations. Faculty members making the presentations were Dennis Starleaf from Iowa State University, Leo Davis from the University of Iowa, and Jerry Kollros from the University of Iowa.

Professor Starleaf said that over the last ten years the average faculty member at Iowa State University has suffered a decline in real income of 14%. To bring average faculty salaries up to a level in real terms that they were in 1969-70 would require an increase of 26.5%. He said real incomes in the state of Iowa rose during the last decade. To bring faculty salaries in line with the increase per capita would require an increase of 58%. In view of this, he said the present request for 20% was very modest. Professor Starleaf said this rate would be about the minimum by which the university can maintain its quality.

Professor Starleaf also pointed out that a comparison with other universities is useful, but not relevant. The non-academic market for people with talent is very strong and the university is losing potential faculty members to the non-academic market.

Professor Davis said the faculty had been impelled to become intimately involved in the process by which its needs are projected to the Legislature and to the citizens of the State of Iowa. The faculty feels it is necessary to monitor the vigor with which the salary increase for the next biennial period is pushed. The faculty intends to involve itself at the governmental level and to monitor the vigor with which the Governor and Legislature push this salary request.

He noted that he did not view the salary asking as an increase but as an adjustment.

Professor Kollros, Co-Chairman of the Budgetary Planning and Review Committee of the Faculty Senate at the University of Iowa, then spoke. He referred to a paper by Professors Sjolund and Birch which was presented to the board last spring. He noted that over a 12-year period faculty salaries have lost 22% in purchasing power. He also noted that the faculty have suffered cumulative deficits because their salaries have not kept pace with inflation.
Professor Kollros urged the board that, if the biennial asking fails to be met, it include the extent of that failure in the following biennial asking. If that is not done, there will be a continuous falling back with respect to faculty salaries.

Regent Shaw indicated that it would be a better concept to indicate that it is necessary to maintain the purchasing power of faculty members, rather than trying to sell the third place ranking in the 11-state area as a concept. President Boyd agreed that this is an important approach. Regent Shaw also said that personal income is not as valid to use as something relating to a job. He pointed out that there are now more people working and said this tends to increase per capita even though people aren't being paid that much more if taken by individual jobs.

Professor Kollros spoke to the assumption that there will be more people for jobs. He said jobs have been open because the university can not find the caliber of persons it wants at the salary available. In general, he said, the people in the job market are bright. They will see what the job market is like in the future and pick other alternatives if they find the future in the university is not very bright. He said the universities have an obligation to make their positions as bright as the alternatives.

Regent Shaw pointed out that even though the university does not hire some people, these same people will appear in job statistics elsewhere.

President Petersen said there is tremendous competition for professors interested in research to attract them to a vital department in which excellence in new ground is being cut and to give them a real opportunity and challenge of working with stimulating and top notch people. She said this competition, as mentioned by Professor Kollros, allows the institutions to have excellence in their programs. She pointed out that the universities compete with others on various levels around the country. Unless the character of the institutions is changed, they need to attract these kind of people in order to maintain their rankings and services provided in excellence in teaching and research.

President Boyd said the asking for faculty salaries was conservative from any number of points of view. He said it would be necessary to prove and demonstrate this and that this issue should be pursued endlessly and relentlessly. Regent Bailey agreed and said that it should be shown both to the executive and legislative branches that the board and institutions have accepted their responsibilities as did our forefathers to provide an adequate higher education to the young people of the state. It can be shown that this is a very moderate asking because it can be substantiated as to what would be needed to give faculty the same purchasing power as they had in 1969-70.

Professor Starleaf said that when he and his colleagues spoke with the Governor and the Appropriation Committees in the House and Senate, they acted genuinely surprised at what has happened to faculty salaries.

President Petersen said that one of the things that has happened is that when budget requests were made, it was assumed that some progress was being made in regard to inflation and competition. By the time the Legislature acted and the actual fiscal year was in operation, inflation ate up the increases. Inflation has continued to roar along and eat up the increases.
Regent Shaw said to use per capita as a basis of argument, would be a disadvantage. Per capital went up dramatically in one year and down drastically in the next year. He did not think this was a very valid issue.

Professor Davis told the board it should be aware of the alternatives if it is unsuccessful in getting this salary asking. In reference to reports in the newspapers that there has not been a tremendous exodus of faculty from the universities, Professor Davis said he would not have expected an exodus late in the year after salaries were announced. However, the exodus may occur in the future if the faculty does not make up the losses they have experiences. There is a possibility that the faculty may turn to collective bargaining. Any alternative becomes attractive when the point of frustration is reached. He suggested that the board consider this when it decides on its scenario and vigor in pushing for this salary adjustment.

Regent Shaw asked if an increase in tuition should be considered to help deal with this problem. President Boyd noted that in the first biennium, faculty did not receive salary increases. Tuition was then raised and the Legislature put a moratorium on tuition increases for several bienniums thereafter. The universities are not unmindful of the concerns in this area. This is something in which there is a major responsibility in terms of state funding. The accessibility of institutions to students must be maintained because it is the key of all measures. President Parks agreed that this must be considered carefully. He said it is not theoretically or morally right to put all of the burden on tuition.

President Petersen said that final action on faculty salaries would be taken at the next board meeting.

The next discussion was on salary asking for the professional and scientific personnel.

President Boyd said the professional and scientific personnel perform a great variety of vital services for the institutions. At the University of Iowa less than one-third of them are supported by state appropriations. It will be necessary to generate funds from other sources to meet the salary asking.

Assistant Vice President Mary Jo Small described an analysis individual institutions did to measure the relationship between the salaries paid by the institutions and those paid by employers with which the institutions compete. She said this survey underlined the problems in competing for and keeping professional staff. These people are in highly technical fields and can easily go elsewhere and get considerably more than the institutions have been able to pay them over the last few years. Departments are finding that the maximum salary available is less than for which they can recruit someone. The people charged with the responsibility of having to cope with the market are having increasing difficult providing the same level of services as in the past are becoming highly dispirited.
Members of the professional and scientific staff were at the board meeting to make presentations. These included Kim Wall, Professional and Scientific Council representative of the University of Iowa; Howard Mayer, Vice President of the University Staff Council at the University of Northern Iowa; Joann Kinyon of the University of Northern Iowa Staff Council; Phillip Patton, President of the University of Northern Iowa Professional and Scientific Staff Council; and John Harrod, Chair of the Professional and Scientific Council at Iowa State University.

Mr. Wall made the first presentation. He said that the salaries of the professional and scientific personnel in the Regent institutions lag 12.3% behind the average salaries of employees in similar positions at other universities. This affects the operation of the university most noticeably in the difficulty of retaining current employees and attracting new employees to the university. New positions are increasingly difficult to fill considering the current salary structure. It has been reported that the quality of applicants for positions has dropped significantly in recent years. Some positions go unfilled and the university suffers.

Mr. Wall said that the time has come to compensate university employees more in keeping with the excellence of the institution. A 12% "catch up" figure should be considered the minimum foundation for salary increases during 1981. Added to this should be a cost-of-living salary increase that truly reflects the cost of living, not just a fraction of it. And finally, merit increases for professional and scientific personnel should be significant enough to be seen as positive rewards for performance, not simply token gestures which become added to so called "cost-of-living" increases.

He noted that the professional and scientific personnel would support the board's efforts in regard to the salary askings. They will join with the faculty, staff, and administration of the university to contact state legislators this fall to express this position.

Mr. Mayer spoke about some personal observations. He noted that many research assistants have been with the university for less than three to four years and are preparing to leave. In terms of an ongoing research program, this is inefficient and costly. The private sector would make adjustments to stop this exodus. Unfortunately, he said, when an employee leaves, he or she most likely leaves the university setting and those talents are lost to the university forever. At this time, average professional and scientific employees must spend their entire income to maintain themselves and their families. Recently it has not been enough. He asked where are the career paths and the continuity of purpose, direction, and dedication?

Mr. Mayer noted that many intangibles have traditionally contributed to the quality of life and nurtured the employee in the academic setting. These include social and cultural events, the city, academic research, and even college football. Collectively these can no longer sustain the staff. The staff must be able to feel that they are growing in their positions, that their contribution is recognized, and that they are building a financially more secure future.
Mr. Mayer said a cycle has been developing of low starting pay and slow advancement necessitating additional low starting salaries. The result is a loss of a great deal of flexibility in starting salaries. He questioned how merit can be justly applied and used as it is intended when year after year the cost of living plus merit increases has represented a fraction of the true cost of living. He said base salaries need to be raised and year cost-of-living adjustments need to reflect reality so that the entire merit increase can once again be used to reward performance.

He said that from 1973 to 1978 the average adjusted gross income of all Americans was up 58%. In the same period at the University of Iowa salaries rose 37%. State, federal, and social security taxes have risen. Therefore, this concern is well founded.

Mr. Harrod said the recently the Professional and Scientific Council has heard from many constituents expressing a concern about employee morale. This morale appears to be constant dropping and affecting employee productivity.

There are three major issues affecting employee morale: double digit inflation, competitive salaries, and reversion of funds.

Mr. Harrod noted that the Consumer Price Index is rising at the rate of 12.34% for the year. Recent wage increases allocated by the state were 7%. The professional and scientific employees realized that there must be some sacrifices made if inflation is to be brought under control. However, they do not feel they should carry any more of the burden than other state employees. He said there is information showed that professional and scientific employees are $2,506.82 behind the Consumer Price Index for the last ten years and $4,130.15 behind other state employees who have received greater increases during the past ten years.

In the area of competitive salaries, professional and scientific employees are below the current national trends. Open positions on the professional and scientific staff could not be filled with competent professionals at the salaries that were advertised. If the quality of the professional and scientific staff is to be retained, salaries must improve.

Mr. Harrod noted that Governor Ray announced a 3.6% cutback in all state budgets in order to accommodate the current economic conditions. These are conditions which in the past have increased student enrollment. Increased student enrollment is expected again this year. The professional and scientific employees are asking how they will be affected, if their jobs will be stable, and considered whether they should acquire other employment. These undermining issues effect moral which is vital to productive. This productivity must be increased to meet the Governor's requires and the increased student population.

He said the Professional and Scientific Council urged the board to look past the current economic conditions of the state and prepare a budget with the concept of retaining a loyal, responsible, and dedicated professional and scientific staff.
Mr. Patton said that the professional and scientific employees are at a crisis point in their professional lives. They do not have enough money to regain their standard of living and are faced with work schedules beyond reasonable expectations leaving them disheartened, discouraged, frustrated, and angry.

The response to this situation is the exodus of professional and scientific employees which has gone beyond normal employee turnover and which is a blow to the viability of the Regent institutions. Currently at the University of Northern Iowa, he said, 15% of the professional and scientific line positions are not filled and not likely to be filled by people of equal caliber to those who left the positions. Current employees can not do the job they were hired to do. With the imposition of the state hiring freeze, vacant positions in professional and scientific areas have remained unfilled.

Because of increased enrollment, the staff will be asked to provide more with less people, less supplies, and less equipment to meet the demands of an expanded job.

Mr. Patton said that since 1976, professional and scientific employees at the University of Northern Iowa have lost 10.2% in salary to the Consumer Price Index. They are falling further and further behind the spendable income level and standard of living they once had. Those in the public sector, such as public school teachers, received greater increases. Employees in the private sector receive cost-of-living escalators and free dental, life, and health insurance. He noted that the staff sees unions or bargaining groups that appear to have a voice in their destinies.

He noted that at one time there was a $60 million surplus in the state treasury and there was a $50 million refund that enhanced no single individual's life. The 3.6% reversion of funding will return more than the projected deficit it seeks to avoid and the professional and scientific personnel wonder how the extra money will be used. Even when money was available, it was not given.

Mr. Patton said that the salary employment structure instituted in 1977 was designed to bring satisfactorily performing employees to the mid-point of their pay grade. In 1980, 70% of the professional employees at the University of Northern Iowa are below their respective mid-point salary goals.

In the case of the University of Northern Iowa, the community is dominated by a company whose salaries and benefits strongly influence the employment market. That company takes some of the university's best people and makes the cost of living unbearable for those who remain.

Mr. Patton said the council was asking the board to look at the salary proposal not as a ceiling figure, but as a basement figure. This is not a negotiable item, he said. It is the foundation on which all is to be built.
Superintendent Giangreco spoke about the salary needs of the professional and scientific personnel at the Iowa School for the Deaf. He said the faculty thanked the board for helping them meet local competition during the coming year. However, he said their salaries are well below those paid by the Area Education Agencies. They do similar work and are certified but don't get compensated for it.

Superintendent Giangreco pointed out that there is no institution of higher learning training teachers to meet the requirements of the Department of Public Instruction. Iowa School for the Deaf has been a leader in deaf education nation wide. It is being raided nation wide and by the Area Education Agencies. The faculty need an increase in their salaries and need to be rewarded for the outstanding job they are doing.

Superintendent DeMott said that with respect to salaries at the special schools, over the past few years the Board of Regents has recognized and responded to their particular needs. Last year, due to circumstances beyond the board's control, an erosion of competitive salaries began.

He said it is important that competitive salaries not be eroded. In attracting new faculty or people to fill positions this becomes a critical issue. Recruitment is very important and the schools needs to maintain an attractiveness that at least lets them stay even with the competition.

On a broader issue, Superintendent DeMott said that the universities are very important and have made the biggest contribution to the quality of life for the people of the state. He was concerned that the board not be allowed to fall into a position of reducing the capacity to positively influence that quality of life. He hoped that no decisions would be made in the state that would shift priorities that would hurt the entire state.

President Petersen recommended that all of the commentaries, facts and figures, and recommendations in the salary areas be taken under judgment and advisement in anticipation of final action to be taken at the next board meeting.

MOTION:

Dr. Harris moved that the board approve the preliminary salary and benefit budget of $326,437,000 for FY 1981-82 and $336,374,000 for FY 1982-83 for base increases for merit, FICA, and other mandated increases. Mr. Neu seconded the motion and it passed unanimously.

President Petersen noted that the above motion in no way should be taken as the total commitment of the board to salaries. It dealt only with the 3% for merit and FICA. The board will address the issue of total salaries at the next meeting.

g. Fuel and Purchased Electricity Budget Request for 1981-83. Preliminary budget request figures were provided but board consideration was deferred pending additional calculations. It was recommended that the board request inclusion of the "pass-through" language in the appropriations bill.
The Board Office said that estimating future expenditures for fuel and purchased electricity is difficult because of the unpredictability of prices, weather conditions, and fuel availability. The universities use mostly coal for fuel. If there is a high energy demand and gas is needed but becomes unavailable at a premium cost of about 30%, it may be necessary to use some oil at a cost three times that of coal. Since the special schools cannot use coal, they may be particularly vulnerable in this situation.

Other factors to be considered in this area pertain to environmental requirements and maintenance of a vigorous energy conservation effort.

In view of the unpredictability of these factors, the appropriation acts during recent years have contained "pass-through" language which states the intent to "...provide additional funds, if needed, if the cost for fuel and purchased electricity exceed..." the budgeted amount stated in the act. Moreover, the act has contained an incentive for energy conservation by stating that if the amount actually expended for fuel and purchased electricity is less than the budgeted amount "...the difference may be used for other purposes such as maintenance, equipment, and miscellaneous purposes."

The Board Office said that circumstances have not changed significantly since the introduction of such language in the appropriation acts. Therefore, it recommended that the Regents request continuation of similar language in the appropriation act for 1981-83.

The preliminary budget request figures were based on actual expenditures for only one year (1979-80) adjusted to the total budget level for 1980-81. The 1979-80 expenditures for each budget unit were used to prorate the total 1980-81 budget in an effort to correct budgets for actual experience. Then, 14% of the prorated figures were added for each year of the 1981-83 biennium.

Mr. Richey suggested that board consideration of budget request amounts be deferred until September. He explained that consumption was to be based on the average of the past three years with adjustments for the addition of new buildings and the pattern of consumption between various sources of fuel. This was to be based on real expectations in 1981-83 and the anticipated unit price and rate of inflation should be applied to that. He noted that the three-year average will take into consideration one very cold year, one very warm year, and one normal year. Price inflation of about 14% is assumed.

MOTION: Mr. Brownlee moved that the board request inclusion of the "pass-through" language in the appropriations bills. Mr. Wenstrand seconded the motion.

Associate Vice President Madden indicated that some of the institutions did not completely understand the approach described. He also said there were some concerns about whether the three-year average is an appropriate base for calculations. There is a need to understand how new buildings and appropriations would affect that.

In regard to coal contracts, Associate Vice President Madden questioned the use of a 14% increase. He noted that the present coal contracts allow a 15% increase in price and there are indications that the prices will go up that amount. Mr. Richey indicated that the Board Office would consult with the institutions to resolve this problem and some other issues.
GENERAL
August 21-22, 1980

VOTE ON MOTION: The motion passed unanimously.

h. Supplies and Services Budget Request for 1981-83. The recommended action was that the board give preliminary approval to a supplies and services budget request in the amounts of $67,586,000 for 1981-82 and $76,401,000 for 1982-83.

The Board Office said funding for supplies and services has experienced a substantial decline in buying power during the past decade. It would require a 39% increase in funding to attain the same buyer power as in 1970-71. It cited the Higher Education Supplies and Materials Price Index and Producer Price Index for Intermediate Materials less foods and energy as the basis for the figures.

The Board Office recognized a serious shortfall in funding for supplies and services and recommended an increase of 15% in the supplies and services budget base for each year of the 1981-83 biennium. It recommended that of the 15%, 9% be estimated as keep-up to maintain the current buying power and the remaining 6% be estimated as a phased catch-up to the 39% lost purchasing power. It recognized that the 9% may prove to be too low considering that the Producer Price Index for Intermediate Materials excluding foods and energy amounted to 9.8% from December 1978 to 1979 and 12.0% for the first half of calendar 1980 on an annualized basis.

The Board Office noted that during the planning seminars for the Regent institutions, the institutions emphasized a need for additional funding for supplies and services.

In view of continuing inflation and the serious need to restore lost buying power, the Board Office recommended that a budget of $67,586,000 for 1981-82 and $76,401,000 for 1982-83 be requested for the 1981-83 biennium.

President Kamerick noted that there was a difference between the Board Office recommendation and the institutional request for supplies and services. The institutions requested a 17% increase for 1981-82 and 13% increase for 1982-83 with 9% per year being regarded as the cost of keeping up with inflation.

He said this budget is actually what the institutions operate on throughout much of the year and it has been pretty hard hit. This is usually an area where economies can be made quickly, but the institutions have gone as far as they can in making economies in this area.

President Boyd noted that this budget directly affects what is going on in the classrooms and in other areas. He noted that there was a 1% increase in the budget two years ago and a 5% increase this year. Because of the last two years the institutions are basically overall weaker.

Mr. Richey pointed out that the inflation did not occur overnight and that the erosion in the budget could not be corrected overnight. This request is modest in terms of needs but is not modest in absolute terms. There are other categories in the budget which need attention. In view of this, President Parks agreed that the Board Office recommendation was reasonable.
MOTION: Dr. Harris moved that the board give preliminary approval to a supplies and services budget request of $67,586,000 for 1981-82 and $76,401,000 for 1982-83. Mrs. Jorgensen seconded the motion and it passed unanimously.

i. Equipment Budget Request for 1981-83. It was recommended to the board that it give preliminary approval of a budget request of $5,365,000 for 1981-82 and $6,654,000 for 1982-83 for equipment.

The Board Office provided the following background information. 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 institutions. A significant increase in equipment funding is needed to overcome the deficiencies and maintain program quality.

For the last two biennia, budget requests for equipment have been based on a formula which uses a ten-year average life of equipment, equivalent to a 10% per year replacement rate. The replacement rate of 10% per year of inventory value would be funded with an expectation of 50% from general funds and 50% from restricted and capital funds. The formula has not been fully funded as yet.

The formula tends to understate costs for the following reasons:

1) The inventory value is based on original cost rather than replacement cost.
2) A formula based on equipment on hand may not reflect adequately equipment need when modernization, programming, and enrollment shifts are considered.

The Board Office and institutions have considered revisions to the formula to relate more properly equipment funding to usable equipment life and sources of funds.

There are three factors involved in the formula: value of equipment to be capitalized and reported as equipment inventory, useful equipment life, and the proportion of funding to be provided from general funds.

For many years equipment costing $100 or more has been reported as equipment inventory. Recently there has been a proposal to change this from $100 to $300. The institutions and Board Office concurred that the inventory value for the 1981-83 budget request should be based on the $100 unit cost criterion. Inventories as reported June 30, 1979, will be used.

Regarding useful equipment life, the institutions have stated that due to early technical obsolescence of some equipment, the useful life should be reduced from ten years to eight years. A preliminary institutional study of the inventory value of equipment with useful lives of three years, four years, and
so on up to 50 years of life for equipment in excess of $100 cost, $300 cost, and $500 cost showed an average useful life between ten and eleven years. Consequently, the Board Office felt that it would be premature to change the formula from the ten-year useful life used during the past two biennia. A trend may develop to support use of a shorter useful life in the formula at a future time but further study is necessary.

The third factor in the formula pertains to equipment support with general funds when compared to total support including restricted and capital funds.

To obtain a replacement rate of 10% per year the overall funding for Iowa State University and the University of Northern Iowa should be increased from approximately 7.5% to 10%. It was recommended that this be accomplished by increasing the funding from general funds from 2.5% of inventory to 5% for Iowa State University and from 5% to 7.5% for the University of Northern Iowa. The University of Iowa funding from all sources is somewhat above the target of 10% of inventory due in part to substantial equipment funding for the University Hospital during recent years. It was recommended that the proposed support for University of Iowa from general funds be increased from 3.3% to 5% of inventory.

Because the two special schools derive essentially all support for equipment from the general fund, it was recommended that the support from the general fund be increased to 9.5% of inventory value.

The institutional budget request was based on increasing general fund support from one-half to two-thirds of the funding level established by the equipment replacement rate.

Because the formula states an equipment need based on a replacement rate for current inventory, the Board Office recommended an inflation factor of 9% be applied to the equipment budget base for each of the years 1981-82 and 1982-83. This inflation factor adds $367,000 each year.

It was recommended that the formula portion of the proposed budget be phased in equal increments each year over a four-year period. This phase-in of the formula portion of the proposed budget with the addition of an inflation factor was also proposed for the building repairs budget request.

Based on the modifications of the formula and the inflation factor explained above, the Board Office proposed that the budget request for equipment be as follows:
## General Budget Recommendation 1980-81

**August 21-22, 1980**

(000's omitted)

<table>
<thead>
<tr>
<th></th>
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<td><strong>$4,074</strong></td>
<td><strong>$5,365</strong></td>
<td><strong>$6,654</strong></td>
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Total Increase over 1980-81 Budget $1,291 $1,289

*Estimated

The recommendation for the Cooperative Extension Service amounts to $154,000 and $167,000 for 1981-82 and 1982-83, respectively. These figures were based on the inflation factor only because the institution has made internal reallocations for equipment to improve communications and reduce travel time. Application of the formula would have substantially reduced the request. This would tend to penalize the institution for improved efficiency unless a compensation adjustment were made elsewhere in its budget request.

The Board Office proposed that a formula approach continue to be used for determination of the budget request for 1981-83 with modifications as described above including the addition of a 9% keep-up factor as used for supplies and services. It was recommended that the budget request of $5,365,000 for 1981-82 and $6,654,000 for 1982-83 be tentatively approved.

Vice President Stansbury said the institutional request to change from a ten-year life of equipment to an eight-year life of equipment was because as equipment becomes more sophisticated, it becomes outmoded more quickly and has a shorter term life. He also said that while in the past this has been based on 50% funding from general funds, the universities desired to change to 30% from non-operating funds and 70% from general operating funds based on the previous equipment inventory bases.
Vice President Bezanson said the institutions have experienced and are experiencing a substantial reduction of funding for equipment from grants and contracts. This is putting a great deal of pressure on the equipment budgets of the institutions. There are signs that this will be more difficult over the coming years.

Vice President Madden supported the comments already made and added that many people fail to recognize that rapid technological change is taking place in the equipment area. Scientific and research engineers are even talking about equipment life expectations of five years. The institutions are anxious to be able to replace equipment as it is needed in the most effective manner possible.

President Boyd said that students who are being taught in areas where instrumentation is crucial, may go into the field and find they have never seen or dealt with the equipment they are faced with because the institution didn't have it.

In response to a question from Regent Shaw about the expense borne by outside users, Vice President Bezanson said that one of the main sources of equipment funding has been federal grant and contract activities. He also pointed out that one of the key elements in competition for grants is the quality and kind of equipment that professors have access to in order to undertake research. The University of Iowa has been attempting to create a centralized equipment facility for large and expensive equipment. Even then, the useful technical life of highly sophisticated equipment is very short.

He said equipment is part of a very interrelated process. It relates both to the instructional side and to the research side of the university.

Mr. Richey said that the institutional proposal was that the equipment budget be financed two-thirds from general funds and one-third from other funds, that an average life of equipment be an eight-year average, and did not have an inflationary component. The Board Office proposal was that the equipment budget be financed half from general funds and half from other funds except at the University of Northern Iowa; that a ten-year average life of equipment be used, and included a 9% inflationary factor. The Board Office recommendation also included a four-year phase-in period.

Mr. Richey said there was no argument about the real need of the institutions for the amounts they requested. However, this must be phased in. He thought the Board Office approach would be more appropriate for the coming legislative session.

Vice President Bezanson asked if the formulation would include the inflation factor. Mr. Richey said it did not because a static inflationary figure was used. Vice President Bezanson said there were no objections to the Board Office approach if it was understood that, in fact, no elements of the formulation have been changed.

President Parks said he agreed with the Board Office. He said he expected the board to make salaries a number one priority and if that is done, there must be some give on other items.
President Petersen said the formulation would be used the same as in the past. She said if changes are desirable, it would be appropriate to review the formulation at the next biennium. She said the policy would be to use a ten-year life of equipment with a 50/50 split on inventory except at the University of Northern Iowa, a 9% inflation factor, and a four-year phase-in. She said this would result in a significant figure for equipment although it would not be as significant an amount as the institutions really need. She noted that the institutions were willing to allow a cutback by the board's action but that some progress would be made.

MOTION: Mr. Wenstrand moved that the board give preliminary approval of a budget request of $5,365,000 for 1981-82 and $6,654,000 for 1982-83 for equipment. Mr. Shaw seconded the motion and it passed unanimously.

1981-83 Library Book Budget Request. It was recommended that the board give preliminary consideration to a library book budget request of $6,368,000 for 1981-82 and $7,642,000 for 1982-83.

The Board Office said appropriation increases of 10% per year during the current biennium fell short of the price growth actually experienced. There were price increases of 10.1% for periodicals and 18.1% for hard cover books over the previous year.

If these average prices are applied to the number of volumes of periodicals and hard cover books for each university and the percentage increases are weighted according to the corresponding dollar volumes, there are average increases of 15.8% at the University of Iowa, 14.5% at Iowa State University, and 14.9% at the University of Northern Iowa. If this is scaled by more recently available inflation figures, the result indicates a current inflation rate of approximately 20%.

The Board Office noted this figure is very rough and does not take into consideration cost increases for book binding or photographic materials. Moreover, the cost of foreign library materials is inflated due to devaluation of the dollar relative to foreign currencies.

In view of the current inflation rates and lack of evidence of any substantial reduction in inflation for library books, the Board Office recommended that increases of 18% of the budget base be included in the budget request to keep up with inflation. This amounted to an 18% increase for the first year and an additional 15.3% for the second year of the 1981-83 biennium.

The Board Office said that, roughly, a 6% increase would be required to catch up with inflation for periodicals and domestic hard cover books over the period 1973-74 through 1978-79. If inflation persists through 1979-80 and 1980-81 at about the 15% per year level, an increase in funding for library books of 16% would be required to catch up to the buying power of 1973-74 at the beginning of the 1981-83 biennium.
The Board Office recommended that an increase of 7% for each year of the 1981-83 biennium be applied to the base to provide funding to catch up to the buying power lost since 1973-74. If inflation exceeds the increases requested to keep up with inflation, it may be necessary to request additional catch-up funds in the future.

In view of the recently increased inflation rate and a need to catch up to previous buying power, the Board Office recommended that a budget of $6,368,000 for 1981-82 and $7,642,000 for 1982-83 be considered.

Mr. Caldwell explained that the Board Office recommendation was in agreement with the institutional recommendation which was 25% per year. However, the Board Office proposed to even out the increase for each of the years to somewhat balance the budget request.

President Kamerick said that the institutional recommendation for the year 1982-83 was not quite 25%. On the basis of 1981-82, the increase for 1982-83 was about 22%. He noted that this was a very handsome recommendation.

Mr. Richey agreed that the recommendation was very high. But, he said, the board cannot let unfunded price inflation go by without drawing the attention of the Governor and the Legislature to it. Otherwise, there will never be any catch up and there will be no consideration for redress of this problem.

Vice President Moore said a heavy part of library acquisition is international material. Because of the dollar devaluation, acquisition of foreign materials is usually quite a bit greater in cost than domestic materials. He said this is a crucial matter.

Regent Shaw asked what is meant by library acquisition. He noted that if money which could be spent for buying freshman books was being used for other things, such as classifying the papers of office holders, that would be a mistake. President Boyd said he thought the archival aspect of the library is exceedingly important. Some of this must be done because it is a part of the cultural resources of the state and this must not be lost. The library must concern itself about the future.

President Petersen said that in its narrative the board must show the ways it is trying to address this problem. This would include the interlibrary loan system among the institutions. It must show that the best use of resources is being made.

President Parks said he agreed with Regent Shaw that the money should be spent on what is needed most. President Kamerick said that the request regarding the library budget was only for buying materials for the library. It did not include any effort to expand.

MOTION: Mr. Brownlee moved that the board give preliminary consideration to a library book budget request of $6,368,000 for 1981-82 and $7,642,000 for 1982-83. Mr. Neu seconded the motion.
President Petersen summarized that this would be 18% for the first year with 7% catch up and 15% for the second year and 7% catch up. This would help to significantly generate a large amount of money but would not completely meet the needs of the libraries or provide funds for catch up on what has been lost and will be lost under rescission.

VOTE ON MOTION: The motion passed unanimously.

k. Building Repairs Budget Request for 1981-82 and 1982-83. It was recommended that the board do the following:

1. Reaffirm the use of the life-of-building approach or formula for calculating the building repairs budget request for the three universities, the two special schools, and the Agricultural Experiment Stations at Iowa State University; and initiate use of this approach for the three University Hospital units and the Oakdale Campus at the University of Iowa. The total requested on the formula in budget addition was $1,277,000 for 1981-82 and $1,845,000 for 1982-83.

2. Request a 9% inflation adjustment to the current year budgets for the ten units involved. The inflation addition is $334,000 for each of the two years of the biennium. Total budget request for building repairs was $5,315,000 for 1981-82 and $7,494,000 for 1982-83.

The Board Office said the Regent institutions maintain approximately 15.7 million gross square feet of space from building repairs funds. Since 1977, the basic asking for building repairs (or RR&A) has utilized a formula called the "life-of-building" approach. The formula base assumes a useful building life of 100 years and that during its life a building will undergo two complete renovations. One renovation is to be funded from operating funds and the other from capital or non-operating funds. The board has received some recognition of the value of the formula in appropriations, but funding has fallen far short of reaching formula need levels.

As a result, the list of unmet needs at the institutions has continued to increase. Maintenance levels at the institutions have declined. Even with the recognition given to the formula approach, building repairs budgets for the Regent institutions will be an estimated 11% behind price growth which has occurred since fiscal 1976 through the end of this year. Building repairs allocations for 1980-81 are 58% greater than for 1976-76 while building costs have gone up 69% during the same period. In addition, the institutions are maintaining more space without a corresponding recognition of this fact in budget allocations for building repairs. Building space being maintained at the five Regent institutions has increased approximately 21% during the period.

The Board Office said the gulf between adequate funding and current levels obviously leads to:

1. A general deterioration of space on the campuses;
2. Campus inability to respond to nothing more than the most urgent and pressing maintenance or building change needs annually;
3. An accumulation of needs which surface later in a capital request or in a request for Code corrections mandated by a third party, such as those on the capital request for fire safety modifications on each of the campuses.

The Board Office and the institutions recommended continuation of the life-of-building formula for the next biennium and that the formula be phased in over a four-year period to reach actual replacement costs.

The three University Hospital units and Oakdale Campus have not been on the life-of-building formula. The Board Office recommended that those units be brought in on the life-of-building formula. The maintenance and replacement costs of University Hospital space is recognized to be higher than that of other university space. The same approach of a four-year phase-in to reach actual replacement costs was suggested. The Oakdale Campus costs were put in at the same level as general university space.

The space at Iowa State University's Agricultural Experiment Stations is under the formula. The goal for that space is 30¢ per gross square foot, as compared to current year levels of approximately 6½¢ per gross square foot. Again, a four-year phase-in was recommended.

The budget additions under the formula amounted to $1,277,000 in 1981-82 and an additional $1,845,000 for 1982-83. The formula can be considered a catch-up factor although such a catch-up would come quite slowly because of the necessity to phase in costs over a four-year period.

The recommended keep-up factor was 9% for inflation. This added $334,000 to the askings for each year of the next biennium.

The Board Office pointed out that it should be recognized that the life-of-building formula is relatively conservative in estimating institutional needs. First, there is phasing in to actual needs over a four-year period. Second, the space being maintained from building repairs funds is net of any space the institutions have decided to demolish over the next ten years. It will be necessary to expend funds in this space in some instances due to the need to maintain it until replacement space is constructed. Third, the building repairs base defers the addition of new space until it has been in operation for one year.

The Board Office said more emphasis needs to be placed on the attainment of adequate funding levels for this item. The situation will continue to worsen at the institutions unless adequate funding is obtained. The first step for the next biennium is to double the amount of money now budgeted for building repairs, which is $3.7 million, and receive an additional $3.8 million for this purpose over the next two years so that the 1982-83 budgets for building repairs will be $7.5 million. The effort then needs to be maintained in the 1983-85 biennium.

Vice President Stansbury explained that the University of Northern Iowa had some disagreement with the Board Office recommendation. He indicated that the life-of-building formula works well if it is fully implemented but for the
last four years this has not been possible. Noting that there has been a drop in maintenance because of needs elsewhere, he said there is a need for a catch-up. He said the formulation is based on the dollar amount per gross square foot used as a fixed factor and a percent of the previous year's building repairs budget to arrive at a total amount for building repairs. He said the University of Northern Iowa has come to be at the lowest level in terms of cents per square foot for building repair. Compounding this problem is the percentage factor which is applied in the formula. He also said that the University of Northern Iowa has 31% of the space to be razed at Regent institutions which further compounds the problem for the university. As a result, it is working with fewer dollars per square feet and has a higher percentage of facilities being deducted from the formulation.

Vice President Stansbury said the University of Northern Iowa fully supports implementation of the formula. He noted that the university did receive a special allocation to assist it in dealing with roof problems. The university recognized this as being significant help. The university has had additional problems and it has been able to use a small amount of building funds left over from previous years to deal with these. In past years it has used internal transfers near the end of the year to increase this account. This means resources were used from other services which are also badly needed in the university. Vice President Stansbury said the formula would be fair if full implementation of it could be achieved. He said the building needs of the University of Northern Iowa are significant.

In answer to a question from Mr. Richey on whether the university was supporting the recommended action, Vice President Stansbury said the university supported it on the basis that the formula could actually be implemented. The other alternative would be to raise the cents per square foot for the University of Northern Iowa as a one-time action.

Mr. Richey pointed out that a base increase of 9% per year was included in the recommendation so that if the formula sum isn't funded, there is still the basic amount. He noted that the basic unit cost was adjusted to reflect current unit costs.

Mr. McMurray said the recommendation was very conservative and that, in fact, capital requests of the institutions could have requested more than they did. The only other source for these funds is building repairs. If the institutions do not get these funds, they will appear in future capital requests far after the need should have been met.

President Petersen said that if the required maintenance of buildings is not done, a deficit is built up.

Vice President Moore said that to a certain extent the number of square feet is not a basic index for building repairs. Such things as sidewalks and utility space are not directly related to the number of square feet of campus space. The square footage is a pretty good measure but there is a problem with this at the experiment stations. There are all kinds of buildings with very sophisticated space. There are also other kinds of repairs needed in the farm areas. These include tile repairs and fence replacement.
Vice President Moore was not sure that the simple square foot approach would be adequate for the experiment stations but said he would check with the chair of the Agricultural Department about this.

President Petersen noted that a suggestion was being made that there be some review of the formula for the next biennium. She noted that decisions made at this meeting would be tentative.

**MOTION:** Mrs. Jorgensen moved that the board reaffirm the use of the life-of-building approach or formula for calculating the building repairs budget request for the three universities, the two special schools, and the Agricultural Experiment Stations at Iowa State University and initiate use of this approach for the three University Hospital units and the Oakdale Campus at the University of Iowa for a total request on the formula in budget addition of $1,277,000 for 1981-82 and $1,845,000 for 1982-83 and that the board request a 9% inflation adjustment to the current year budgets for the ten units involved for an inflation addition of $334,000 for each of the two years of the biennium resulting in a total budget request for building repairs of $5,315,000 for 1981-82 and $7,494,000 for 1982-83. Mr. Wenstrand seconded the motion and it passed unanimously.

1. **Essential Program Adjustments.** The recommendation made to the board was that it convey its sense of priorities for essential program adjustments for the 1981-83 biennium prior to board staff recommendations on specific proposals.

The Board Office noted that exclusive of enrollment increase considerations, continuing education projects, and federal fund losses, Regent institutions requested $11.0 million in special needs for 1981-82 and an additional $7.4 million in 1982-83.

In developing the institutional requests, the basic assumption was that requests would not exceed 5% of the 1980-81 base budget. The following table summarizes the level of request for each institution and its percentage relationship to the 1980-81 base budget.
In each case above, the percentage relates to the cumulative total request for the second year of the biennium. The aggregate request for the first year of the biennium amounts to 2.7% of the 1980-81 budget.

Additional requests to be considered separately include projected federal fund losses for 1981-82 of $1.7 million with continuation costs in 1982-83 estimated at $1.8 million, a State Extension and Continuing Education Council proposal for an additional $723,000 for ten different program elements, and increased enrollment which may occur at one or more universities this fall.

The Board Office presented a list of institutional requests for essential program adjustments and said the board needed to review the priority of the items. The information used was taken from the 1982-83 request year.

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(continued on next page)
Mr. Richey said the Board Office had not reviewed the requests of the institutions for essential program adjustments and that the items in the list above were not prioritized. They represent general categories only.

Speaking for the University of Iowa, President Boyd said that its first priority is the financial stability of the College of Medicine. He pointed out that this is a different issue than federal fund losses. He said the College of Medicine has been expected to generate most of its own support. In 1963, 22% of the college's budget was funded from earnings from the medical practice plan and 37% was funded from the general plan. The medical practice plan now funds 30% of the budget and the general fund has declined to funding 26% of the budget.

The continually increasing demand on the practice plan has required a greater and greater amount of time on the part of the faculty with patients as contrasted with time spent with students. He said the medical practice plan cannot continue to increase in terms of picking up the cost of medical education. He noted that external funding for faculty salaries has come to a standstill and the medical practice plan will have to carry that burden. The medical service plan generates earnings for non-faculty as well as faculty.

There is a problem because there has been overreliance on practice earnings to support the College of Medicine. This balance must be redressed, said President Boyd, and that is the University of Iowa's greatest need next to salary because it affects the fiscal stability of the college. He said the university cannot continue to meet the fiscal needs of the college through continued reliance on practice earnings.

President Boyd introduced Dean Eckstein of the College of Medicine. He noted that the financing of the college is very complex and said Dean Eckstein could answer any questions.

President Boyd said that in the past ten years the college received a federal fund loss replacement and a modest special needs appropriation. Other than these, the college has received no incremental funding until there was a budget adjustment last year.

President Boyd said the nature of the college is such that things must happen. There is concern about future regulations which will affect.
the medical practice income so there is need to stabilize the financing of the college. He said more of the educational cost should come from appropriated funds. He pointed out that the medical faculty does not indigent patients because of the law. The charges for these patients would amount to $17 million.

President Petersen asked if there was any danger the overreliance and pressure on the plan is detrimental to the educational functions of the college. Dean Eckstein said this was possible because when patients are involved, they come first.

Regent Shaw asked if additional funding would be used in salaries, strengthening areas which are now weak, and reducing the work loads of some people. Dean Eckstein said it would be used for all of these things. It is believed that educational costs should be paid for in a large amount by the state. The time is going to come, said Dean Eckstein, when the medical service plan will level off and the college will not be able to continue to use it as it has been used.

In response to a question from Regent Brownlee, Dean Eckstein said in 1979-80 the college received $18 million from the general fund and $23 million from the service plan. The general fund accounts for about 26% of the funding.

President Boyd said the college could not be given capital priority because of other needs of the university and money for capital purposes will have to be obtained privately. He said that the college is financing itself in a way that no other part of the university is expected to do and that this the university's number one priority in special needs. He said everything else is basically relatively properly supported in the university. The funding of this operation is unstable and it could fail at any point. He pointed out that the college ranks 57th out of 66 public medical schools in support by state appropriations.

Regent Brownlee said he was seriously concerned about this issue.

Regent Bailey said that the College of Medicine actually is involved in the education of a lot of students other than medical students. A lot of the college's money is being used to teach students who will get degrees in various other disciplines. This pointed up to him what the state of Iowa ought to do. Basically, he said the college is financing a lot of liberal arts and other students. Dean Eckstein said that the college teaches the first year of basic sciences for all of the colleges and teaches all of the applied health programs.

Regent Neu noted that the college had indicated it needed 45 FTE positions. Vice President Bezanson said this did not necessarily mean 45 people; this could be portions of people. The practice plan is leveling off and it will be necessary to start shifting support. President Petersen asked if the recommendation for the 45 FTE was for transferring support for these people or if it included new people. Dean Eckstein said some new people are needed but some rearrangement of funding is needed to get support for salary. Mr. Richey indicated that he would explore this issue in depth with the college.
President Petersen summarized that the college wants to shift support for instruction and responsibilities to the state from the practice plan and use the practice plan for other badly needed things.

Mr. Richey noted that the board will be considering medical student tuition at the next board meeting and said that could be a part of this issue too.

Regent Brownlee suggested that the detailed list presented by the college was not very appealing and Dean Eckstein said the college is still struggling with the best way to present its needs. Regent Brownlee also did not think it was very appealing to indicate the money was needed so other shifts can be made. Regent Neu suggested showing that practice funds are leveling off and, therefore, the college will have to curtail services unless it gets additional state money.

In regard to the FTEs, Regent Jorgensen said she would have a hard time accepting adding new people. Dean Eckstein said some of the departments get 10% or less of the salary budgets from the general fund.

Regent Bailey asked if the practice in regard to indigent patients should be changed. He asked why the College of Medicine should furnish these services for free and wondered if charging these patients would be an approach to more funds. Dean Eckstein said the college needs these patients. There is a strong tradition and strong history in Iowa, that the college was put in Iowa City and it must be retained in Iowa City. President Boyd said the whole system is based on state-wide care. He said patients come from more than one region because of the rural nature of the state.

President Boyd said the board recognized the need and also recognized that the need must be shown in the most effective way to get the best support. She noted that Mr. Richey would be meeting with the university to discuss these issues.

President Boyd said there is a similar need in the College of Dentistry but to a lesser extent. Other special needs are in the area of pharmacy and social work.

Vice President Bezanson noted that, in conjunction with various consumer requirements, the university must have a fire inspector to perform necessary inspections. The university is also under a mandate to provide periodic health examinations of employees who come in contact with certain biomedical substances.

In regard to opening new buildings, Vice President Bezanson said the university department somewhat from the formula in order to recognize some of the highly efficient energy efforts which are superior to that reflected in the formula. He said the component relating to fuel and electricity is lower than that traditionally used. He noted that the university is faced with higher fuel and water rates because of escalation and that adjustments are needed to accommodate these increases.
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President Petersen said all of this information would be taken under advisement and the essential program adjustment requests would be acted on at the September board meeting.

President Parks spoke about the essential program adjustment needs of Iowa State University. He said that the first priority, after salaries, for funding is the restoration and improvement of losses that were suffered from mainstreaming operations such as equipment and building repair.

President Parks said the university has 16 items relating to the general university in the special needs category. He noted that every college need deals with equipment. He said this need was severe even before the cutback was made for the 3.6% reduction mandated by the Governor. He said opening new buildings, the university share of a transportation system, and support for an Iowa State University Center are extremely urgent and important. He said he would also like to consult with the Board Office about this issue.

In answer to a question from Regent Brownlee, President Parks said the number one priority of the university in regard to essential program adjustments is college needs and instructional support. Because the college needs deal so extensively with equipment, they take on added importance in view of the current economic situation. He said if it was possible to assume that equipment funding would be restored, these needs would be handled differently.

President Petersen indicated that she expected the base to be restored for next year.

Vice President Moore said that the university and Ames community have been working on developing a transportation system. They hope to have something in place a year from now. He noted that this is a project on which there will be high visibility and that action will be taking place on it so there are special needs in that area. President Parks added that it is hoped that by working with a municipal operation, the chances of funding would be better.

Three faculty members spoke about the essential program adjustment requests of the University of Northern Iowa. They were Jan C. Robbins, Acting Dean of the Graduate College; Robert Waller, Dean of the Business School; and Clifford McCollum, Dean of the College of Natural Sciences.

Professor Robbins noted that the essential program adjustments request includes a request for improvement in the status of graduate stipends. He said there are three factors which affect graduate education. These are 1) faculty, 2) the quality of programs offered, and 3) the students. He said there is no question about the quality of the faculty and that the programs offered are extremely good. However, he was not as optimistic about the quality of the graduate students. The quality of the student is affected by the level of the graduate stipend. The level of the stipend determines the number of students that can be brought into the institution and affects the quality of the students who are actively involved in the
graduate program. The graduate assistants set the tone of the graduate program which establishes the tone of the institution. The University of Northern Iowa is in pretty serious straits. It is last in the number of dollars and next to last in the stipend offered in comparison with comparable institutions. Dr. Robbins said there is reason to be concerned about losing students to comparable institutions. He said the University of Northern Iowa must be comparable with other institutions.

Dr. Waller began by reviewing some facts which relate the importance of the School of Business to the University of Northern Iowa. The school now graduates 43% of all non-teaching graduates from the university. It graduates roughly 25% of all graduates. Thirty-four percent of all new entering freshmen who indicate an interest are indicate business. The school serves between 3,000 and 4,000 different students on the campus. These are not all business majors. The school does this with 38 regular faculty members and a group of adjunct faculty. It uses 7% of the university's instruction budget and is almost self-supporting.

Dr. Waller said it is embarrassing that the School of Business is not accredited. The request for special needs for the school of $150,000 in 1981-82 and $300,000 in 1982-83 will help the school gain accreditation. He said the request is modest. Accreditation has been discussed since 1973, and, said Dr. Waller, it is time to get it done.

Dr. Waller said all of the special funding would go for additional instructional staff. He also noted that there is considerable pressure from around the state to have the school offer a graduate program. So far the school has been unable to do this but it would like to serve some of the outlying areas.

In reply to Regent Brownlee's question, Dr. Waller said $200,000 would be required just to get accreditation. The school would be able to do other things with any remaining moneys. The issue of becoming accredited is pressing because the accrediting agency has been putting out information about the advisability of attending only accredited schools and hiring only students from accredited institutions.

In answer to a question from Regent Shaw, Dr. Waller said that the average faculty load in three major departments is 5½ classes per week.

Regent Brownlee suggested that the school's case for on-campus needs is so good that it should be by far the overwhelming priority rather than adding staff for off-campus courses. Dr. Waller agreed but noted there has been some interest in off-campus courses.

Dean McCollum said that in request regarding improvement of instruction, additional staff is needed to work in the computer science programs. He said the additional assistance in this program is needed because of the competition within the field and the necessity of expanding offerings for increased need across the campus.
Vice President Stansbury noted that there was a special need listed in administrative data processing in the amount of $300,000 for 1981-82 and $400,000 in 1982-83. He said the university was attempting to solve that problem internally and would report in September if it is successful. If the request continues to appear on the university's list of needs, Vice President Stansbury said it would be possible to modify it. The university was planning to solve this problem with fuel savings.

Superintendents Giangreco and DeMott did not wish to make presentations but asked that the board be cognizant of their needs.

President Petersen asked board members to review very carefully all of the special needs of the institutions in preparation for the next board meeting.

m. **Special Purpose Appropriations.** This item was deferred until the next board meeting.

**CAPITAL IMPROVEMENTS AND TUITION REPLACEMENT REQUESTS FOR 1981-83.** This item was deferred until the next board meeting.

President Boyd indicated that the priorities of the University of Iowa in regard to capital improvement were to first eliminate the Old Armory, then to build the College of Law, next to remodel the Chemistry-Botany Building, and then to building the West Campus Roadway.

**BUDGET REQUEST FOR THE BOARD OFFICE FOR 1981-83 BIENNIAL.** It was recommended that the board give preliminary consideration to the proposed policies to be used in the development of the budget request for the Board Office for the 1981-83 biennium.

The proposed budget for the Board Office was based on 3% merit increases for employees, and 9% price inflation for non-personnel items and restoration of the equipment budget to the original level of 1980-81. The original level included a computer terminal tied in to the State Comptroller's data processing center. The number of personnel positions in the office would remain unchanged with the understanding that there is a possibility of some reorganization in the office to take care of serious deficiencies in one of the units of the office. The number of personnel and the amount of salary paid would not change because of the reorganization.

The Board Office said the proposed budget for per diem of board members would be $40 per day.

President Petersen received the report on behalf of the board.

**ANNOUNCEMENT OF ASSOCIATION OF GOVERNING BOARDS NATIONAL TRUSTEE WORKSHOP.** The Board Office said the Association of Governing Boards National Trustee Workshop will be held in conjunction with the American Council on Education's Annual Meeting on October 8-10 in San Francisco.
Board members interested in attending the workshop were asked to contact the Board Office to make arrangements for out-of-state travel authority.

NEXT MEETING.

<table>
<thead>
<tr>
<th>Month</th>
<th>Location</th>
<th>Location</th>
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<tbody>
<tr>
<td>September 18-19</td>
<td>University of Iowa</td>
<td>Iowa City</td>
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<td>October 15-16</td>
<td>Iowa School for the Deaf</td>
<td>Council Bluffs</td>
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<tr>
<td>November 13-14</td>
<td>University of Northern Iowa</td>
<td>Cedar Falls</td>
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<td>December 17-18</td>
<td>Iowa State University</td>
<td>Ames</td>
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<td>January 15-16</td>
<td>University of Iowa</td>
<td>Iowa City</td>
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<td>February 19-20</td>
<td>University of Northern Iowa</td>
<td>Des Moines</td>
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<td>March 12-13</td>
<td>Iowa Braille and Sight School</td>
<td>Cedar Falls</td>
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<td>April 16-17</td>
<td>University of Iowa</td>
<td>Iowa City</td>
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<td>May 14-15</td>
<td>Iowa State University</td>
<td>Ames</td>
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<tr>
<td>June 18-19</td>
<td>Iowa Lakeside Laboratory</td>
<td>Okoboji</td>
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UNIVERSITY CENSUS DATA CENTER BUDGET - 1980-81. It was recommended that the board allocate $76,500 appropriated to the State Office of Planning and Programming to Regent Universities, as follows:

<table>
<thead>
<tr>
<th>University</th>
<th>Allocation</th>
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<tbody>
<tr>
<td>University of Iowa</td>
<td>$30,000</td>
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<tr>
<td>Iowa State University</td>
<td>$30,000</td>
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<tr>
<td>University of Northern Iowa</td>
<td>$16,500</td>
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<tr>
<td>Total Allocation</td>
<td>$76,500</td>
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The Board Office provided the following background. The 68th General Assembly appropriated $76,500 annually for FY 1979-80 and 1980-81 for support of university census data centers. The Legislature also established a census data center coordinating unit including representatives from each university, OPP, and the State Librarian. The only specific mandate of the committee was to "provide for not less than 50 census data training sessions throughout the state."

In June 1979 the Regents approved the initial year distribution of $76,500 with $30,000 to the University of Iowa, $30,000 to Iowa State University, and $16,500 to the University of Northern Iowa. Budgeted funds were used during the first year of operation to accomplish a variety of activities.

It was reported that there was significant emphasis placed on inter-university cooperation in all major aspects of program development. It was believed a significant degree of the program's first year achievements can be attributed to cooperative activity among the universities.

There has been some uncertainty as to how the Census Data Center Coordinating Unit could best define and carry out responsibilities which remained essentially undefined in legislation. OPP was designated by the Governor to administer the state's census-related responsibilities, including liaison responsibilities with the federal government. The General Assembly subsequently proposed to define the authority of the Census Data Center Coordinating Unit, as follows, in House File 2580 (1980 Session), Section 36.
...There is established a census data center coordinating unit composed of the state librarian, a representative of the office for planning and programming, and three representatives each representing one of the state universities. The census data center coordinating unit shall provide for not less than fifty census data training sessions throughout the state and shall negotiate a joint statistical agreement with the United States Bureau of the Census. The census data center coordinating unit shall be the agency designated in Iowa to approve all such agreements with the Bureau of the Census. (Underlined information was a proposed amendment to an existing act.)

The Governor eliminated the proposed amendment to census data center legislation by line item veto. The Governor said the amendment was "both illegal and moot." He indicated the federal law provided that the statistical agreements must be approved by the Governor and that state law can not grant that authority to other officials. He also pointed out that the statistical agreement designated the Office of Planning and Programming "as the agency to receive census information for public distribution in Iowa...."

University census data center directors proposed the same allocation of OPP appropriations for 1980-81 as approved in 1979-80. In addition, $92,209 of university funding was proposed for supporting census data center activity in 1980-81. A substantial portion of this is a continuation of support previously existing, demonstrating an ongoing commitment to this activity by the universities.

The distribution of planned expenditures is shown in the following table.

<table>
<thead>
<tr>
<th>Expense Category</th>
<th>OPP Appropriation</th>
<th>University Contribution</th>
<th>Total Funding</th>
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<tbody>
<tr>
<td>Salaries, Wages &amp; Benefits</td>
<td>$68,240</td>
<td>$27,452</td>
<td>$95,692</td>
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<tr>
<td>Other General Expenses</td>
<td>8,260</td>
<td>64,757</td>
<td>73,017</td>
</tr>
<tr>
<td>Total</td>
<td>$76,500</td>
<td>$92,209</td>
<td>$168,709</td>
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</table>

Program objectives call for continuation of the type of program activity conducted during 1979-80. This includes data collection and retrieval, data analysis, special user services, and various elements of training for public, special interest, and affiliated center benefit. Inter-university cooperation again will be stressed.

The Board Office recommended that the proposed census data center allocation of $76,500 from OPP appropriations be distributed with $30,000 each going to the University of Iowa and Iowa State University and $16,500 going to the University of Northern Iowa.
MOTION: Mr. Shaw moved that the board approve the allocation of the $76,500 appropriated to the State Office of Planning and Programming to Regent Universities with $30,000 distributed to the University of Iowa, $30,000 to Iowa State University, and $16,500 to the University of Northern Iowa. Dr. Harris seconded the motion and it passed unanimously.

President Petersen then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the general docket. There were none.
The following business pertaining to the State University of Iowa was transacted on Thursday, August 21, 1980.

HOSPITAL REVENUE BONDS, SERIES 1980. The Board Office explained that the 1980 Legislature, in accordance with requirements of Section 263A.2 of the Code, enacted House Concurrent Resolution 111. The resolution authorizes the board to construct an addition of 163,000 gross square feet to the University Hospitals complex at an estimated cost of $21,947,755 of which $18,000,000 is financed by borrowing through the issuance of bonds.

The board initiated action on this bond sale in June 1980 through the passage of resolutions authorizing and providing for the issuance of the bonds and directing the advertising and sale of same.

Mr. Paul Speer, financial consultant to the board, was present for the sale of the bonds.

President Petersen called the meeting to order at 1:00 p.m., Central Daylight Savings Time, August 21, 1980, in Board Room #207 of Gilchrist Hall at the University of Northern Iowa in the city of Cedar Falls, Iowa. The roll being called there were present Mary Louise Petersen, President, in the chair, and the following board members: Bailey, Brownlee, Harris, Jorgensen, Neu, Shaw, and Wenstrand. Absent: None.

President Petersen stated that this meeting was for the purpose of receiving separate sealed bids on sale of $18,000,000 Hospital Revenue Bonds, Series 1980, for the State Board of Regents of the State of Iowa.

President Petersen requested the filing of all sealed bids. President Petersen then made a second, and then a third and final call for sealed bids. She then announced the closing of receipt of sealed bids.

President Petersen directed the executive secretary to open the sealed bids and Mr. Speer to read the bids.

Bids received were as follows:
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<tr>
<th>Bidders</th>
<th>Price</th>
<th>Coupon Rates</th>
<th>Net Interest</th>
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<tbody>
<tr>
<td>John Nuveen &amp; Co., Inc. - Chicago and</td>
<td>100.0100</td>
<td>1983-1984 9.00 %</td>
<td>8.3531 $</td>
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<td>Dean Witter Reynolds, Inc.-New York and</td>
<td>1993 8.00 %</td>
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<td>Carleton D. Beh Co. - Des Moines and</td>
<td>1994-1995 8 1/2 %</td>
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<td>Dain Bosworth Incorporated - Davenport and</td>
<td>1996-1997 8.90 %</td>
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<td>Bear, Stearns &amp; Co. - New York - Joint Managers</td>
<td>1998-1999 9.00 %</td>
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<td>Merchants National Bank &amp; Trust Co.-Indianapolis</td>
<td>2000 8.00 %</td>
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<td>Becker &amp; Cownie, Inc. - Des Moines</td>
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<td>R. G. Dickinson &amp; Co. - Des Moines</td>
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<td>Securities Corporation of Iowa-Cedar Rapids</td>
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<td>Shaw, McDermott &amp; Co. - Des Moines</td>
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<td>Oppenheimer &amp; Co., Inc. - New York</td>
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<td>Stix &amp; Co., Inc. - St. Louis</td>
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<td>Underwood, Neuhaus &amp; Co., Inc. - Houston</td>
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<td>Juran &amp; Moody, Inc. - St. Paul</td>
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<td>Blunt Ellis &amp; Loewi, Inc. - Milwaukee</td>
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<td>J. C. Bradford &amp; Co. - Nashville</td>
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<td>Central National Bank and Trust Company-Des Moines</td>
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<td>Chiles, Heider &amp; Co., Inc. - Omaha</td>
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<td>Burton J. Vincent, Chesley &amp; Co.-Chicago</td>
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<td>Croake Roberts, Inc. - Chicago</td>
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<td>First Mid America, Inc. - Omaha</td>
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<td>McLiney and Company - Kansas City</td>
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<td>Sears Bank and Trust Company - Chicago</td>
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---------- IN ASSOCIATION WITH ----------

The First National Bank of Chicago and
Goldman, Sachs & Co. - New York and
Continental Illinois National Bank and
Trust Company of Chicago and
Blyth Eastman Paine Webber, Inc.-New York and
A. G. Becker Incorporated-New York - Joint Managers

Merrill Lynch White Weld Capital 100.0000 1983-1987 9.00 % 8.3734 $
Markets Group - Minneapolis - Manager 1988-1990 7 1/2 % $17,331,000
United California Bank - Los Angeles 1991-1993 8.00 %
Shearson Loeb Rhoades, Inc. - New York 1994-1996 8.60 %
Lowell H. Listrom & Company, Inc.-Kansas City 1997-1999 8.90 %
2000 7 1/2 %
<table>
<thead>
<tr>
<th>Bidders</th>
<th>Price</th>
<th>Coupon Rates</th>
<th>Net Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bache Halsey Staught Shields, Inc.- New York</td>
<td>100.0106</td>
<td>1983-1987 9.00%</td>
<td>8.5633%</td>
</tr>
<tr>
<td>The Chase Manhattan Bank, N.A. - New York</td>
<td></td>
<td>1988-1989 8.80%</td>
<td>$17,726,000</td>
</tr>
<tr>
<td>Drexel Burnham Lambert, Inc. - New York</td>
<td></td>
<td>1990 8.40%</td>
<td></td>
</tr>
<tr>
<td>Midland Doherty, Inc. - New York</td>
<td></td>
<td>1995 8.60%</td>
<td></td>
</tr>
<tr>
<td>Matthews &amp; Wright, Inc. - New York</td>
<td></td>
<td>1996-1998 8.80%</td>
<td></td>
</tr>
<tr>
<td>Wm. E. Pollock &amp; Co., Inc. - New York</td>
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<tr>
<td>Barr Brothers &amp; Co., Inc. - New York</td>
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<td></td>
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<tr>
<td>Howard, Weil, Labouisse, Friedrichs, Inc.- New Orleans</td>
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<td></td>
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<tr>
<td>Prescott, Ball &amp; Turben - Cleveland</td>
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<tr>
<td>Interstate Securities Corporation - Charlotte</td>
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</tbody>
</table>

----------- IN ASSOCIATION WITH  -----------

Harris Trust and Savings Bank - Chicago and
The Northern Trust Company - Chicago and
Iowa-Des Moines National Bank - Des Moines and
Clayton Brown & Associates, Inc.-Chicago-Joint Managers
  American Fletcher National Bank & Trust Co.-Indpl.
  BancNorthwest - Chicago
  Commerce Bank of Kansas City, N.A.-Kansas City
  Hartford National Bank and Trust Company-Hartford
  LaSalle National Bank - Chicago
  Mercantile Trust Company, N.A.-St. Louis
  American National Bank & Trust Co. of Chicago
  A. G. Edwards & Sons, Inc. - St. Louis
  Marine National Exchange Bank - Milwaukee

Mr. Speer announced that the best bid was submitted by John Nuveen & Company, Inc., at a net interest of 8.3431% and recommended that the board accept the bid and sell the bonds.

Vice President Bezanson said the university concurred with Mr. Speer's recommendation to sell the bonds.
MOTION:

This being the time and place fixed by published notice, the board took up for consideration the matter of bids for the purchase of $18,000,000 Hospital Revenue Bonds, Series 1980, of said board. After all sealed bids had been opened, the results thereof were incorporated in a resolution entitled "Resolution providing for the sale and award of $18,000,000 Hospital Revenue Bonds, Series 1980, and approving and authorizing the agreement of such sale and award," which was introduced and caused to be read. Mrs. Jorgensen moved that said resolution be adopted and Mr. Shaw seconded the motion. The roll being called the following voted:

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

NAY: None

ABSENT: None

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

MOTION:

The board took up for consideration the matter of authorizing and issuing $18,000,000 Hospital Revenue Bonds, Series 1980. Whereupon Mrs. Jorgensen introduced and caused to be read a resolution entitled "A Resolution amending a resolution entitled 'A Resolution authorizing and providing for the issuance and securing the payment of $18,000,000 Hospital Revenue Bonds, Series 1980, for the purpose of defraying the cost of constructing an addition to the general hospital on the campus of the State University of Iowa,,' and moved that said resolution be adopted. Mr. Neu seconded the motion and after due consideration by the board the president put the question on the motion and upon the roll being called the following voted:

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

NAY: None

ABSENT: None

Whereupon the president declared the motion duly carried and said resolution adopted.
MOTION: Mrs. Jorgensen moved that the board return all certified checks to bidders, except for that of John Nuveen & Company, Inc. Mr. Bailey seconded the motion and it passed unanimously.

MOTION: Mr. Neu moved that the firm of Peat, Marwick, Mitchell, & Co., of Cedar Rapids, Iowa, be employed as bond auditor. Mr. Wenstrand seconded the motion and it passed unanimously.

Mr. Speer introduced Woody Barr, Vice Chairperson of the bond consultant firm. Mr. Speer noted that the institution was very fortunate to have these bids. He said it was an excellent sale and was within the limit of the ability of the hospital to pay. He said interest rates are high and construction bids are low because of economic conditions.

Regent Bailey asked Mr. Speer if he thought there was a lot of difference between the hospital bonds and the bonds sold for the Hawkeye Arena in April in regard to the market. Mr. Speer said the bonds were different in that the hospital bonds were rated AA and the arena bonds were rated A. The two sets of bonds have different maturities. He said the source of funds for the bonds also makes a difference. If the two sets of bonds were sold on the same day, the hospital bonds would have been more attractive because of the maturity, debt service, and higher interest rate.

In answer to a comment by Regent Shaw, Mr. Speer said the debt service on the Hawkeye Arena was 2.5 times the estimated revenue with no history. The debt service on the hospital bonds was 21 times the debt service with two previous sales.

President Petersen thanked Mr. Speer and Mr. Barr.

1980-81 FINAL BUDGETS. It was recommended that the board approve the final appropriation unit budget ceilings as follows:

<table>
<thead>
<tr>
<th>Appropriation Unit</th>
<th>Budget Ceiling (000s omitted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General University</td>
<td>$125,518</td>
</tr>
<tr>
<td>University Hospitals &amp; Clinics</td>
<td>92,509</td>
</tr>
<tr>
<td>Psychiatric Hospital</td>
<td>6,311</td>
</tr>
<tr>
<td>State Hygienic Laboratory</td>
<td>2,262</td>
</tr>
<tr>
<td>Hospital School</td>
<td>3,686</td>
</tr>
<tr>
<td>Oakdale Campus</td>
<td>2,193</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$232,479</td>
</tr>
</tbody>
</table>

It was also recommended that, in conjunction with the University and Psychiatric Hospitals budget ceilings, the board approve a 10.1% rate increase, effective July 1, 1980. The final recommendation was that the board approve the amount of $13,866,914 for the residence halls and dining services activity budget.
The Board Office reported that the university's total current fund budget for 1980-81 is $342.5 million. State appropriations included in this total are $130.3 million. Institutional income amounts to $103.7 million and restricted funds account for another $108.5 million. Additional non-current funds that impact operations in 1980-81 to varying degrees are stores, service and revolving funds, $44.5 million, and agency funds including dental and medical practice funds, $125.7 million.

The Board Office discussed the categories for the General University.

Enrollment. Final proposals for enrollment in 1980-81 remained the same as reported in the preliminary budget. It was indicated the enrollment workload for 1980-81 was expected to be approximately the same as 1979-80.

Income. Institutional income estimates were those approved in the preliminary 1980-81 budget, or $30,003,400. This would indicate an approximately 0.6% increase over 1979-80. Average tuition income per students full-time equivalent (FTE) was estimated at $1,001 for 1980-81. This is consistent with the tuition revenue per FTE for 1979-80. Institutional income increased in 1980-81 over that initially approved in 1979-80 in the amount of $2,021,000. Of this amount, $661,000 is attributable to additional tuition revenue while $1,360,000 is attributable to increased indirect cost reimbursement from grant and contract activity.

Tuition estimated for the general fund of $21,695,000 represented 88.7% of total tuition and fees assessed under Regent tuition and fee policy. The remainder was allocated to student activities including repaying of bonded debt. The table below summarizes actual student tuition and fees for the 1977-79 biennium, that estimated for 1979-80, and that budgeted for 1980-81.

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<tr>
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<tbody>
<tr>
<td>Student Activities</td>
<td>$ 544,929</td>
<td>$ 551,168</td>
<td>$ 607,905</td>
<td>$ 620,936</td>
</tr>
<tr>
<td>Debt Service</td>
<td>1,948,696</td>
<td>1,914,609</td>
<td>2,151,776</td>
<td>2,150,566</td>
</tr>
<tr>
<td>Total Activity Fees</td>
<td>$ 2,493,625</td>
<td>$ 2,465,777</td>
<td>$ 2,759,681</td>
<td>$ 2,771,502</td>
</tr>
<tr>
<td>Total Tuition</td>
<td>18,804,000</td>
<td>19,235,000</td>
<td>21,034,000</td>
<td>21,695,000</td>
</tr>
<tr>
<td>Total Tuition &amp; Fees</td>
<td>$21,297,625</td>
<td>$21,700,777</td>
<td>$23,793,681</td>
<td>$24,466,502</td>
</tr>
</tbody>
</table>

The increase in total tuition and fees collected for 1979-80 over 1978-79, incorporating a change in tuition rates, was 9.6%. An additional increase in tuition and fees budgeted for 1980-81 amounts to 2.9%. For the biennium, estimated increases and tuition and fees would be 12.7%.

Expense. The general university detail expenditure budget for 1980-81 was the same as that approved in the preliminary budget, or $125,518,314. This expenditure budget matches total estimated income above. It represented a 7.5% increase in proposed expenditures over the final budget approved for FY 1979-80. The only change in pattern of proposed expenditures from 1979-80 to 1980-81 was the shift of resources used for building repairs in a non-recurring mode in 1979-80 to personnel categories in 1980-81. Building repair allocations were a rounded $1.4 million in 1980-81 compared to budgeted $2.2 million in 1979-80.
Increased revenues for operations other than price inflation adjustments from appropriations were as follows: $761,000 for additional tuition revenues and enrollment increase appropriations to the instructional function with specific allocations to the Colleges of Engineering and Business Administration plus general expense funding for the Registrar's Office; and the application of $1,360,000 primarily from increased indirect cost reimbursement to non-recurring expense categories (such as building repairs); to the support of the Colleges of Medicine and Dentistry as a result of the reported under-funding in state appropriations; to research-related purposes in 1980-81, again on a non-recurring basis.

The amount of $349,621 from a total federal fund loss of $360,119 was established as part of the university's base budget for 1980-81.

The university budget contained an appropriation for the Quad Cities Graduate Study Center program, supported on a consortium basis. The appropriation by the State of Iowa for 1980-81 was $97,834 compared to $93,176 for FY1979-80 for a 5% increase.

A review of the pattern of support for basic programs for FY 1980-81, compared to FY 1979-80, is shown below. Any funding additions to programs as a result of the additional $1,850,000 in institutional revenue during 1979-80 are not reflected. Subsequent reports will adjust for in-year budget changes. The changes in percent increase reflect price inflation and new or reallocated funding for each of the two years shown. The only notable change in percent increase of support is for the institutional support function.

Institutional support showed a marked increase in funding due to the addition of $710,000 in sponsored research support. These are funds added from increased indirect cost reimbursement in 1979-80. If contract and grant activity declines noticeably, this administrative expense, along with its revenue source, would be reduced subsequent to 1980-81.

Other programs shares were altered somewhat marginally as there has been no basic shift in program emphasis at the university from 1979-80 to 1980-81.
Overall, the instructional program increased 10.7% in 1979-80 while it increased an additional 9.3% in 1980-81. This would be from both appropriations and institutional income exclusive of in-year charges.

For the general university, budgeted salary savings for 1980-81 were $2,514,220. This compares to $1,814,194 budgeted in 1979-80 and $1,692,046 in 1978-79. The significant increase in the level of budgeted salary savings for 1980-81 resulted from an institutional policy to modify budgeted salary savings to reflect anticipated experience as closely as possible. It allowed for improved planning in resource use.

**Student Aid.** Budgeted support for 1980-81, as well as the preceding two years, is noted below.

<table>
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<tr>
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<tbody>
<tr>
<td></td>
<td>$3,129,637</td>
<td>$3,585,726</td>
<td>$3,737,803</td>
</tr>
<tr>
<td></td>
<td>(+14.6%)</td>
<td>(+4.2%)</td>
<td></td>
</tr>
</tbody>
</table>

Budgeted student aid represented 3% of total general educational fund use for 1980-81.

**Restricted, Auxiliary, and Other Funds.** The estimated restricted fund budget for 1980-81 was $108.5 million. This compared to $89.4 million in 1979-80 and actual expenditures for restricted funds in 1978-79 of $81.7 million. The rate of increase noted will not be as substantial as it appears when actual restricted fund expenditures become available for 1979-80. Major increases were reported in both the traditional contract and grant activity and auxiliary enterprise fund activity.

The Board Office reported on the budget for University Hospitals and Clinics.

**Income.** Institutional income estimates remained the same as in the preliminary budget for the University Hospitals. Institutional income was $70,726,178. Sales and services reflecting paying patient income accounted for all but $327,000 of the total, including a 10.1% rate increase. Total appropriated funds were $21,782,422. University Hospitals appropriated funds were for indigent patient care and for FY 1980-81 account for 23.5% of operating revenues while institutional income accounts for 76.5%.

**Expense.** There were no changes proposed in the expenditure pattern or the total expenditures of $92,508,600 planned, as reported in the preliminary budget. The detail operating budget summary showed the following distribution of planned expenditures by expense category: salaries and wages, 69.7%; fuel and purchased electricity, 1.6%; supplies and services, 27.5%; equipment, 0.8%; and building repairs, 0.4%.

Budgeted salary savings for 1980-81 were shown as $3.1 million, rounded. This compared to $1.6 million the previous year. The increased estimate of budgeted salary savings reflected prior year experience and current year requirements. Budgeted salary savings amounted to 4.8% of total salaries and wages.
The Board Office reported on the income and expense for Psychiatric Hospital.

**Income.** Estimated income remained the same as that approved in the preliminary budget, or $1,710,768. With appropriations of $4,600,032 total revenue was estimated at $6,310,800. Sales and services, primarily revenue from paying patients and associated income, amounted to 87.3%. Institutional income reflected the 10.1% rate increase approved in the preliminary budget. Appropriations of $4,600,000 accounted for 72.9% of the total proposed operating budget. Institutional income accounted for 27.1%.

**Expense.** Total expense remained the same as approved in the preliminary budget, which matched planned income or $6,310,800. The final budget showed a planned pattern of expense as follows: salaries and wages, 84.7%; fuel and purchased electricity, 1.0%; supplies and services, 13.4%; equipment, 0.5%; and building repairs, 0.4%.

The pattern of expenditures indicated some shifting in the distribution among hospital programs. However, only admissions, business office, and general supporting services reported an absolute reduction in dollar support. This is reflected in a lower level of general expenses.

Budgeted salary savings for 1980-81 were $551,375. This was 10.3% of total salaries and wages. This compared to $349,009 in 1979-80. The substantial increase in budgeted salary savings reflected prior year experience and current year ability to reach this level of savings.

The Board Office reported on the State Hygienic Laboratory.

**Income.** Income estimates remained the same as reported in the preliminary budget, or $2,261,500. This represented $93,791 less than budgeted for 1979-80 and is the result of some non-recurring contract activity during the 1979-80 fiscal year. Approximately 90% of all institutional income was from sales and services.

**Expense.** Institutional expense matched institutional income at $2,261,500. Expenditure categories for 1979-80 showed the following pattern: salaries and wages, 87.4%; supplies and services, 11.1%; and equipment, 1.5%. This pattern was identical with that shown in the preliminary budget approved in June.

During both 1979-80 and 1980-81 approximately 86% of the laboratory expense was budgeted for use at the branch of the laboratory located in Iowa City, and 14% for use at the Des Moines branch.

There were no budgeted salary savings, as was the case in FY 1979-80.

The Board Office then reported on the budget for the Hospital School.

**Income.** Total income remained the same as approved in the preliminary budget, or $3,685,800. Total institutionally derived income amounted to $402,886. Approximately 80% of the latter was from paying patients.
Expense. The detail budget proposed pattern of expenditures showed the following: salaries and wages, 85%; fuel and purchased electricity, 2.5%; supplies and services, 11.5%; equipment, 0.5%; and building repairs, 0.5%.

Budgeted salary savings for 1980-81 were $193,448. This compared to $94,048 in 1979-80. Budgeted salary savings as a percent of total salaries and wages for 1980-81 was 6.2%. This increased level of budgeted salary savings reflects prior year experience and current year potential.

The Board Office reported on the Oakdale Campus budget.

Income. The proposed income remained the same as approved in the preliminary budget, or $2,193,135. Appropriations totaled $1,856,135 while institutionally derived income totaled $337,000. The dominant institutional income source was overhead reimbursement, which amounted to 42% of total institutional revenue.

Expense. Total expenditures remained the same as those approved in the preliminary budget. Planned expense categories were as follows: salaries and wages, 62.3%; fuel and purchased electricity, 13.2%; supplies and services, 15.2%; equipment, 2.2%; and building repairs, 7.1%. Fuel and purchased electricity represented the largest single share of this expenditure category of any of the Regent 12 appropriation units.

In the previous two fiscal years there has been a substantial shortfall of funds budgeted for fuel and purchased electricity, partly as a result of a technical budgeting error and partly because of the remaining with legislative intent on this expense category. It would appear, again, in 1980-81, this expense category, while matching legislative intent, will fall short of need.

Budgeted salary savings for 1980-81 were $18,445 representing 1.4% of total salaries and wages.

The Board Office recommended that the final budget plans be approved for general educational operations in the aggregate amount of $232,479,000.

President Petersen noted that the university's budget would be revised in response to the Governor's mandated 3.6% cutback. She asked the university to outline in general terms how it planned to accomplish the cutback.

Vice President said that for the University of Iowa, the cutback would amount to $3.4 million. for the general university. The university plans to address this in terms of savings and reductions in the budget.

About half of the savings will come from freezing positions and slowing down of replacing vacant positions. The university does not plan any furloughing. It may be necessary to do some reorganization in some areas. Vice President Bezanson noted that the university began this process in April and it is well on the way to being in place. He noted that the process will be difficult and painful for some employees because they will all have to bear the heavier burden of a greater work load.
Vice President Bezanson pointed out that the university has experienced a loss in capitation funds in the health colleges of about $490,000. The university does not have the resources to adjust and reallocate for this within the institution. Approximately $100,000 of these losses will not be made up with resources from the institution. Most of the loss will be borne by the College of Medicine. This will further complicate problems in terms of over-reliance on the medical practice plan.

The university, said Vice President Bezanson, would reduce its budget by $400,000 in general expense, $700,000 in building repairs, and $500,000 in equipment. It will not undertake some measures needed in order to comply with governmental regulations that it planned to undertake this year. The university will reduce expenditures throughout the institution.

In regard to the university delaying its response to governmental regulations, President Petersen asked if this would be a matter of postponing action on this until funds are available. Vice President Bezanson said yes.

Regent Shaw noted that the highest percentage of rate of change in expenditures was in education and asked if there was a particular reason for this. Vice President Brodbeck said this involved position money. She met with the deans to discuss this matter. They were asked if they could defer appointments to vacant positions and, if this was possible, to do so for the coming year. She said there was individual discussion with each dean about the possibilities to maintain a satisfactory level of instruction.

President Petersen said the rescission would not affect the budget base. The cutback is a one-time commitment in an emergency situation to allow the state to improve its cash flow and maintain a treasury balance.

Vice President Bezanson commended the employees of the university for their cooperation in spirit and in fact in terms of jobs they will have to do. He said the university is very fortunate to have such employees and a university community that can work together to do as much as possible in a constructive way to solve the problem.

President Petersen expressed the board's appreciation for this. She noted that the employees would not only suffer a loss of salaries but also will have to deal with equipment shortages, lack of building maintenance, etc.

Vice President Bezanson then spoke about the budget for University Hospitals. He said University Hospitals has also been engaged in the process of trying to hold positions open. There are some serious problems because of the small base of the work force and turnover is not as reasonable. He said it would be more difficult to identify the exact amount of dollar savings that could be associated with each element of University Hospitals.

President Petersen indicated there is no direct operation appropriation. University Hospitals earns its funds for care of indigent patients on a patient-by-patient basis. One possibility would be to reduce quotas and reduce the number of indigent patients cared for. She suggested doing everything possible to deal with this problem within the budget without having to reduce the county quota. In terms of service, it would be a lessening of the quality of service among other things.
Vice President Bezanson indicated there would never be a lessening of the quality of service. He said there might be deferment on building repairs and other kinds of things but it would be premature to outline these at this time.

Since the hospital must earn appropriations for services rendered to indigent patients, Mr. Richey did not think the hospital could maintain the same amount of services for less money. Vice President Bezanson responded that the hospital might reduce expenditures for buildings and use the part which is funded through a portion of indigent patient fees. It would be preferable not to reduce the level of indigent patient care provided the financial crisis is a short-run phenomenon. He said to give the same care with fewer dollars would in effect mean reducing the charge per patient or the amount of dollars received per patient from state appropriations.

Mr. Richey asked if this plan was possible without affecting the charges to third-party payers. Vice President Bezanson said the university was not exploring increasing rates for private patients. In answer to another question from Mr. Richey, Vice President Bezanson said he did not think there would be a problem of having differential rates for indigent patients and private patients.

President Petersen then began a discussion about salaries for selected administrative positions. She noted that an administrative line at the University of Iowa had become a matter of public discussion and controversy before the board had received line budgets and was informed of the administrative support for various lines. In her view, she said, it is necessary to meet the competition in order to be able to maintain responsible administrators in vital positions. There are a number of these positions at the institutions. She said she has always had the philosophy that administrators should be well paid. The administrators will make savings in the institutions equal to their salaries or more. President Petersen noted that because of the sequence of budgeting this year, the information about the budget was not available as early as usual, and this caused some public controversy.

Regent Shaw said that in his opinion it does not matter where funds for these positions come from. He also noted that there are job descriptions and pay scales for other positions in the institutions and suggested that these be available for the top level positions too. He said there is no reason to stop relating jobs to one another at a given point.

Regent Shaw said he did not think it is always wise to meet competition and that what a person can earn in another job is not necessarily what an institution should pay a person. He said the other job may be bigger. Regent Shaw suggested having descriptions and ratings for these top level jobs. He also suggested that they be put on a salary scale and that the administrators be paid on that salary scale according to their performance.
Regent Brownlee disagreed and said he did not want to be associated with the comments made by Regent Shaw. He said the quality of the administrators depends on their salaries. In the case of administrators, the institutions do have to meet the competition.

In reply to Regent Shaw's statement that large organizations operate in the way he suggested, President Petersen pointed out that the board and institutions are not a large corporation. Regent Brownlee agreed that this was an inappropriate analogy.

Regent Brownlee noted that there had been a problem of communication in regard to a position at the University of Iowa. He said there needed to be some serious effort made so that board members will have an opportunity to express their feelings about such matters. He hoped the Board Office and institutions would work together to devise a method so that board members would have an opportunity for input.

President Petersen said that the board holds university presidents responsible for the operations of the institutions. The presidents need to have discretion with which to administer salaries. They must be able to structure the resources available to them and structure the salaries of administrators so they can manage the institutions. She said it is important that when they are held responsible, that they also be given the flexibility to acquire and surround themselves with the various kinds of experts they need. President Petersen pointed out that the board does need to be informed of these appointments. Regent Bailey agreed with this statement.

Mr. Richey said Regent Brownlee's suggestion would be followed and a procedure will be worked out to make sure the board is notified in a more timely way about the salaries of administrators in the future.

Vice President Bezanson agreed that this should be discussed in a formal way. He pointed out that this was a unique year which had an influence on reporting. The timing of presenting line item budgets to the board this year was not the same as the usual timing.

Regent Brownlee said that if there are new people and organizational unit variations which will result in something that is quite different from the pattern of the previous year, then the board should have an opportunity to make recommendations.

MOTION:

Dr. Harris moved that the board approve the final budget plans for general educational operations in the aggregate amount of $232,479,000 for the University of Iowa; approve a 10.1% rate increase in conjunction with the University and Psychiatric Hospitals budget ceilings; and approve a budget of $13,866,915 for the residence halls and dining services activity. Mr. Wenstrand seconded the motion and it passed unanimously.
PUBLIC HEARING - SOUTH PAVILION, PHASE A PROJECT. It was recommended that the board adopt a resolution providing for a notice of hearing on proposed plans and specifications of this project and hold a public hearing.

The Board Office explained that an omission was made at the June board meeting through failure to adopt a resolution providing for a notice of hearing on the South Pavilion project on proposed plans and specifications and form of contract. The Procedural Guide calls for the public hearing to be held by the board when hospital revenue or academic revenue bonds are involved. Because there was no July board meeting, the university advertised for the public hearing at the August board meeting and advertised to receive bids on August 19 at the University of Iowa.

MOTION: Dr. Harris moved that the board adopt a resolution to provide for a notice of hearing on proposed plans, specifications and form of contract for University Hospitals - South Pavilion, Phase A Project on the campus of the State University of Iowa and for a notice to contractors of bidding thereon. Mrs. Jorgensen seconded the motion and it passed unanimously. The resolution was adopted.

President Petersen called the meeting to order at 2:30 p.m., Central Daylight Time, on August 21, 1980, on the campus of the University of Northern Iowa, Cedar Falls, Iowa. The roll being called, there were present Mrs. H. Rand Petersen, president, in the chair, and the following names board members: Bailey, Brownlee, Harris, Jorgensen, Neu, Shaw, and Wenstrand. Absent: None.

The president then stated that this was the date, time, and place set by the board for a hearing on the proposed plans and specifications and proposed form of contracts and the cost of the University Hospitals - South Pavilion, Phase A project on the campus of the State University of Iowa, Iowa City, Iowa.

The president asked if there was anyone present who wished to register objections concerning any of the aforementioned matters.
The president then asked the executive secretary whether anyone had filed a petition or petitions setting forth objections to the proposed plans and specifications and form of contract for University Hospitals - South Pavilion, Phase A project in the office of the executive secretary prior to the date of this meeting. The executive secretary stated he had not received any such objections. There being no objections, the president declared the public hearing closed.

COMMUNICATIONS FACILITY. It was recommended that the board hear a presentation on the schematic plans for this facility by Thorson Brom Broshar Snyder Architects, Waterloo, Iowa, and approve the schematic plans for the project and the preliminary budget for use in the Regents capital request.

The Board Office said that the 1979 Legislature appropriated $600,000 in capital funds for planning for space needs at the university in communications, an addition to the theatre, and a law building.

In November 1979 the board approved an agreement with Thorson Brom Broshar Snyder, Waterloo, Iowa, to provide architectural services on the communications facility. Compensation was on the basis of a fixed fee of $240,000 plus a maximum of $15,000 for reimbursable expenses. Because of funds deauthorization, the contract for architectural services can only proceed through the schematic design state at this time. It was anticipated that approximately $134,000 of the $600,000 appropriated for planning these three buildings will be utilized for the communications facility schematic plans.

The schematic plans call for construction of a 47,310 gross square foot building to be located next to the existing Old Armory on land now occupied by tennis courts. The building would house television, radio, film, rhetorical studies, and communications research programs as well as the administrative facilities of the Department of Communication and Theatre Arts.

The university reported a budget higher than that presented to the 1980 Session of the Legislature. The most significant reason for the increase was higher than anticipated utility extension costs.

The Board Office said the capital appropriation amount, adjusted for inflation according to funding and construction schedules, would be $6,295,000. Overall costs per square foot would be $133.06.

There would be an additional request to a later session of the Legislature for furnishings and equipment. For planning purposes, 10% of the construction amount, or $630,000 was used. However, that amount would be adjusted by the actual equipment needs for a new facility based upon an equipment list which takes into account reuse of existing equipment, etc. It is probable that the total cost of this project, including equipment and the prior planning appropriation, will be approximately $7.1 million.
The Board Office noted that the Communications Facility is the first new building priority of the University of Iowa and is one of two actions needed to ensure the vacation and eventual razing of the Old Armory facility.

Vice President Brodbeck said the proposal for the Communications Facility was a bare bones, stripped down plan. It does not include all of the performing arts or a video facility.

She introduced Mr. Broshar of the architectural firm; Samuel Becker, Chairman of the Speech and Dramatic Arts Department; Richard Gibson of the Facilities Planning Office at the university, and Professor Franklin Miller of the Speech and Dramatic Arts Department. Professor Miller served as faculty coordinator on the project.

Professor Becker said he appreciated the opportunity to come before the board. He said there is tremendous excitement about getting closer to the time when students and faculty can be taken out of the Old Armory. He said the university has been pleased in working with the architect. The departments are truly thankful to have their needs met and to develop sense of collegiality.

The new building will be helpful in developing good interaction between students and faculty. Currently classes and offices are spread out in buildings over the campus. He said the location of the new building was great. Being in the center of the campus will help the department to do a better job serving its own students and students in other areas.

Professor Becker said that one of the advantages of the new facility is that it will take up the same amount of space as is now used in Jessup Hall and Old Armory. It will be possible to make more efficient use of the space. He said that one of the problems in the television broadcasting course is that it has not been possible to nearly meet demand. This fall only seniors receiving an A or B in the introductory course and juniors receiving an A in the introductory course will be able to get into the second level course. The new building will double the space available for this kind of teaching.

Mr. Broshar began his presentation by introducing Dave Mathiasmeier, also an architect with Thorson Brom Broshar Snyder Architects. Mr. Broshar pointed out that a report had been prepared including a statement of the problem and the concept of the development of the facility as stated by the department. The report also includes the architect's concept statement, an outline of specifications, and a description of the systems that go into the building.

Mr. Broshar showed through slides how the building will fit into the campus and function for its users.

He showed several slides of different views of the proposed building. He noted that Hodne/Stageberg Partners, Inc. were also involved in the detailed design framework.
Part of the framework considered in the design was the importance of maintaining the vista from the approach on Iowa Avenue. Another important relationship was keeping the view of Old Capitol from the front steps of the Library. He showed slides on how this would look.

Mr. Broshar noted that the new facility would be erected while Old Armory is still in place. He then presented a slide of the site development with Old Armory removed.

There is a high volume of traffic from the northeast and the architects tried to capitalize on this natural, exterior flow of traffic. An important element is an internal street. Students do a great part of their work outside of the building. This involves coming in to pick up equipment and need to get materials through the building. He said Washington Street will be deemphasized as a major university street.

Parking for the library will be maintained. There will be short-term parking for those checking out film and equipment. There will also be a large freight elevator because the service facility will be on the second floor level.

Mr. Broshar showed a slide of an aerial view of the facility. The building is designed to open up and introduce the public into some areas as much as possible. An octagonal section of the building will have a lecture and projection hall for 125 students on one level. On the upper level there will be a smaller lecture hall and two general classrooms.

In the vertical section of the building, Mr. Broshar said the architects tried to develop the ground level for areas that need the greatest amount of access by the greatest number of people. In this portion of the building will be faculty and department offices, a departmental lounge, forensics, an experimental laboratory for communications research, a service area, and a freight elevator.

He then showed a cross section of the center area of the proposed building. He noted the stairways go up two levels and there are openings with natural light. The studios are two stories high and certain functions are required to be at the same grade level. The architects tried to provide an overlook with support facilities at the upper levels.

Mr. Broshar talked about the second floor plan. There is a passenger elevator so all of the facilities in the building are accessible. There will be one large television studio, one small television studio, one film studio, the master control, and engineer's office on this level. He pointed out that the master control center is very important. This will be the nerve center of the facility and will serve the studios on the periphery. There will be an observation area for use in instruction with access from the public corridor. In this way students not in the class can participate in an informal sort of way.

The next slide showed the third floor. It will have laboratories for filming and editing and audio editing, a radio studio, and an audio studio. There will also be an opportunity to observe what is happening in the studio and indirectly participate in what is happening.
Mr. Broshar said that the form of the building is a simple geometric form. Reflective glass will be used along one wall and the building will be built of reddish brown brick to blend with the campus area.

The next slide was of a view from the north. One of the main entrances will be from the northeast with the reflective wall in front. The reflective surface will tie this building and the Pentacrest together.

Mr. Broshar said the facades of the building are relatively plain. The percentage of glass is quite low because of the nature of rooms where natural light is undesirable.

Mr. Broshar then presented slides showing the site developed with decorative groves of trees. He said there would be opportunity to have small outside gatherings or lectures utilizing space sheltered by the building.

The cross roads would be an ideal opportunity for a focal point. There could be a campus billboard or a major sculpture placed here at some time in the future.

Regent Shaw asked if some classes would still be taught in other buildings. Professor Becker said other buildings would be used for some of the classes. There are new classrooms available in the new education building and on the Pentacrest which is a block away from the facility. The new building will mainly have specialty classrooms and two small seminar rooms.

Regent Bailey asked what the reflective surface would be. Mr. Broshar said the reflective surface would be glass. In about 15-20% of the area it would be possible to see out from the inside. Most of the surface will have insulated panels.

In regard to a walkway or natural path through the building, Regent Bailey asked how this would work in practice from an energy standpoint.

Mr. Broshar said there would be a vestibule at each end of the walkway. They will be subject to wind and temperatures the same as any entrance in any building. Regent Bailey thought a lot of people would be going through the building that did not need to go through it. Mr. Broshar answered that the campus planners have demonstrated that it is a fact of life that people walk through campus buildings. Professor Becker said that an attempt was being made to isolate and direct that flow of traffic so it does not interfere with the rest of the building.

Regent Bailey said he was very concerned about the use of energy. It seemed to him that this walkway would let a lot of cold air into the building. He asked if the corridor would open into the rest of the building. Mr. Broshar explained that the functional areas of the building are isolated on individual floors. The mechanical system will be developed in a modular way. This building will receive a lot of odd hours usage and the building is zoned mechanically so certain areas can be conditioned at a particular time.
In regard to the reflective glass surface, President Petersen noted that other buildings with this kind of surface are often being repaired and expressed some concern. Mr. Broshar responded that this is a common technique and it has been very effective in many installations. President Petersen hoped this would not create an attractive nuisance. Mr. Broshar indicated that the project is in the schematic design stage and that these comments would be taken under consideration.

Returning to the issue of the walkway, Mr. Richey asked how it would be heated and air conditioned. Mr. Broshar said the walkway would be treated as a separate zone. Regent Bailey said he was still not convinced about the energy issue.

Mr. Richey asked if the walkway would serve any other purposes. Mr. Broshar responded that it will be a circulating corridor. A main corridor providing access to classrooms is necessary and it will serve that purpose.

Professor Becker pointed out that between classes there are 200-300 people in this area. He said if there was no planning for access to the most heavily used classroom, there would be people wandering all through the building and that would let in cold air everywhere. By planning it in this way it will be more energy efficient.

President Petersen asked if the skylight would be that type that would not cause leaking problems. Mr. Broshar said it would be designed for drainage. He said technology has advanced to a point where the firm feels quite comfortable with the skylight concept.

Since this project isn't funded, Mr. Richey pointed out that someone will have to develop an explanation on the layout of the building. He noted that the first floor of the building will be all offices and said that didn't seem very high in priority. Professor Becker said there are other facilities on that floor. He said in an earlier plan the offices were on a higher level and the classrooms were on the first level. If faculty offices were located on the third floor students would not have easy access to them. By placing the offices on the first floor, the students can not avoid encountering faculty members and vice versa.

Dean Brodbeck said that the growing communication and theater arts is a very popular undergraduate area and the department has been concerned and sensitive to the needs of undergraduates. She said the department is concerned about undergraduate education and deeply involved with it.

President Petersen said this appears to be an exciting project.

MOTION: Mrs. Jorgensen moved that the board approve the schematic plans for the project and the preliminary budget for use in the Regents capital request. Dr. Harris seconded the motion.

Regent Bailey said he hoped the university would consider the comments that were made and Vice President Bezanson said the university would do this.
Regent Shaw thought a building could not be put up in Iowa unless it was certified by the Energy Policy Council. Vice President Bezanson said there is a detailed energy audit over the life of the buildings. Mr. McMurray noted that in a law passed two years ago there is a requirement on life-cycle costs which are incumbent on every board to follow. No single state agency was given for the over all responsibility of monitoring compliance. He noted that a Governor's committee is studying this and will be making a recommendation on how the law should be implemented.

Mr. Richey said the Board Office and institutions would work something out so the institutions would know what is expected of them. He said the ultimate responsibility for this lies with the board. The board needs to get its own procedures in place so it does not get stuck with arrangements it does not like.

VOTE ON MOTION: The motion passed unanimously.

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

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

**Campus Electrical Supply Renovations - Water Main Relocation - Contract 1 - General Construction**
Award to: Knowling Bros. Contracting Co., Iowa City, Iowa $15,759.00

**Campus Electrical Supply Renovations - Contract 2 - Grading and Site Work for Substation "U"**
Award to: McAninch Corporation, Des Moines, Iowa $61,465.00

**Hawkeye Drive Apartments - Replace Gutters & Fascias - Phase II**
Award to: Paulson Construction Co., West Branch, Iowa $56,885.00

**University Hospitals - Hospital Tunnel Doors**
Award to: McComas/Lacina Construction Co., Iowa City, Iowa $12,797.00

**Hawkeye Court Apartments - Repair Roofs - Phase V**
Award to: Gentry & Green Enterprises, Inc., Des Moines, Iowa $39,169.00

**University Hospitals - Radiology Call Room**
Award to:
General: Schoff Construction Co., Lisbon, Iowa $9,733.00
Mechanical: Jones Plumbing and Heating, Inc., Iowa City, Iowa $9,950.00
Electrical: Gerard Electric, Inc., Iowa City, Iowa $3,400.00
Only a single bid was received for the electrical portion. This irregularity was waived since a check with other contractors who obtained plans and specifications indicated the reason for no bid was bidders' choice due to summer work schedule and the bid submitted was within the estimated project budget for this phase of work.

University Hospitals - Fourth Floor North Tower Interface

Award to:

General: R. K.'s Home Improvement, Iowa City, Iowa $34,561.00

Mechanical: George Kondora Plumbing and Heating, Inc., Iowa City, Iowa $19,900.00

It was recommended that a single bid received for the Electrical Contract be rejected and that the university proceed to do the work with force labor. The single bid greatly exceeded the architect's estimate for electrical work. The estimated construction budget was $14,000; the single bid submitted by Gerard Electric, Inc., Iowa City, Iowa, was in the amount of $26,810. The project can remain within its budget of $73,250 funded from University Hospitals Building Usage Fund if the electrical work is done in-house.

Hawkeye Sports Arena

There were two contract matters on the Hawkeye Sports Arena:

Contract #2 - Site Grading

Award to: Gordon Russell, Inc., Iowa City, Iowa $628,471.60

While conducting exploratory borings for the arena foundation evaluation, the university discovered a cavity immediately above the top of bedrock. These voids need to be filled to prevent future problems of subsidence in the arena and ancillary structures. This became an emergency need so that the cavities could be pressure grouted prior to the arena grading work and so that there would not be any delay in construction time on the project which would delay the scheduled opening for the 1981 basketball season.

Two firms were contacted and submitted quotations for the pressure grouting. A purchase order was issued in the amount of $50,000.00 to Lee Turzillo Construction Co., Omaha, Nebraska. This was the lower of the two quotations.

1980 Institutional Roads Reconstruction

Award to: Iowa Builders Co., Des Moines, Iowa $73,580.07

The irregularity of receiving a single bid was waived since a single bid is not unusual on road work and because the bid was within the project budget. This project is in the 1980 institutional roads construction program in the amount of $75,000. Concurrence in award has been requested of the Department of Transportation.
It was recommended that the board approve the following new projects:

**Chemistry/Botany Lab - Remodel #123**
Source of Funds: General University 1979-80 Building Repairs $12,859.00

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

**Field House - Ten Meter Tower - Swimming Pool**
Source of Funds: University of Iowa Foundation $33,000.00

The Physical Plant Department was selected as inspection supervisor. The board was requested to ratify selection of Shive-Hattery & Associates, Iowa City, Iowa, to provide full engineering services on this project at an hourly rate basis up to a maximum of $2,800. This project involves construction of a diving tower to be used for training for ten-meter platform diving. With the pool deepening project carried out in 1979, the 17-foot depth is adequate for such a tower.

**Stanley Residence Hall - Replace Roof over Lounge, Lobby, and Office Area**
Source of Funds: Dormitory Improvement Reserve $55,000.00

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

**University Hospitals - Nursing Staff Development, Phase II**
Source of Funds: University Hospitals Building Usage Fund $33,000.00

The university Architect's Office was selected as architect and inspection supervisor.

**University Hospitals - General Hospital Southeast Loading Dock Elevator**
Source of Funds: General Hospital Building Repairs $98,700.00

The university Architect's Office was selected as inspection supervisor. In June the board ratified selection of Shive-Hattery & Associates, Iowa City, Iowa, to provide full engineering services on this project on an hourly rate basis to a maximum of $98,800. This is 12.8% of the estimated cost of construction of $86,550.

**Medical Research Center - Remodel Rooms 338, 338A, 340, 340A, 342, 342A, and 344**
Source of Funds: Rheumatology Trust Fund (private donations) $56,300.00

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

**Hawkeye Court Apartments Repair Roofs - Phase V**
Source of Funds: Dormitory Improvement Reserve $89,400.00

The Physical Plant Department was selected as engineer and inspection supervisor.
University Hospitals - Hospital Tunnel Waterproofing
Source of Funds: Psychiatric Hospital Building Usage Funds $30,300.00

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

The board was requested to ratify institutional action on architect's and engineer's contracts for the following projects:

University Hospitals - Air Conditioning, Linen Support Area
Ratify selection of Beling Consultants, Inc., Moline, Illinois, to provide final design services and contract administration on an hourly rate basis to a maximum of $3,322.75. The board has not approved a project budget to date.

University Hospitals - Neonatal Consolidation
Ratify selection of Marske-Schardein and Assoc., Bettendorf, Iowa, to provide specialized structural engineering services on this project on an hourly rate basis to a maximum of $2,700. In May the board approved a project budget of $458,000 funded by Hospital Building Usage Funds and selected the university Architect's Office as architect and inspection supervisor. The university Architect's Office sought these specialized services on this project.

University Hospitals - Reoccupancy Remodeling, Phase I
Ratify approval of payment for additional engineering service to Wehner, Nowysz, Pattschull & Pfiffner, Iowa City, Iowa, to provide construction administration and project quality control during construction of this project at a fixed fee of $8,000. Previously, the board approved a project budget of $290,000 and selection of the same firm as architect at a fixed fee of $21,500.

University Hospitals - Intensive Care Unit, Stat Laboratory
Ratify selection of Gene Gessner, Inc., Iowa City, Iowa, to provide final design services on an hourly rate basis to a maximum of $1,944. In June the board approved a $71,700 project budget funded by University Hospitals Building Usage Fund and selected the university Architect's Office as architect and inspection supervisor. The services to be provided by Gessner are limited in scope and intended to provide specialized services beyond what can be provided by the Architect's Office.

University Hospitals - Radiation Therapy/Ophthalmology A/C Modifications, SW Addition
Ratify selection of Gene Gessner, Inc., Iowa City, Iowa, to provide final design services, contract administration, and site survey services on an hourly rate basis up to a maximum of $1,612. The board has not approved a project budget to date.

University Hospitals - Adult Cardiac Catherization Laboratory Remodeling
Ratify selection of Gene Gessner, Inc., Iowa City, Iowa, to provide final design services and site survey services on an hourly rate basis to a maximum of $3,326. The board has not approved a project budget to date.
Quadrangle Dormitory - Educational Resource Center
Ratify selection of Pierce King & Associates, Iowa City, Iowa, to provide contract administration and project quality control on this project on an hourly rate basis to a maximum of $8,000. Contracts on this project were awarded in June. This firm provided architectural services on the project.

University Hospitals - Roy J. Carver Pavilion - West Facade Extension - Fifth Floor Completion Package; Mechanical Construction; Electrical Feeder
Ratify selection of Hansen-Lind-Meyer, Iowa City, Iowa, to provide architectural services for final design on Fifth Floor Completion Package for a lump sum fee of $8,600. This is part of the Carver Pavilion project. The same firm was selected to provide final design services on the main electrical feeder at a lump sum fee of $2,200. A third purchase order was issued on mechanical construction in the amount of $5,600 for design services. The project budget for this phase of the work has not been brought to the board.

University Hospitals - Remodel Neuro-Angiography Suite - 6th Floor, General Hospital
Ratify selection of Hansen-Lind-Meyer, Iowa City, Iowa, to provide final design services for a lump sum fee of $4,950. A project budget has not been approved by the board.

Iowa Memorial Union - Remodeling for Student Activities Offices
Ratify selection of Gene Gessner, Inc., Iowa City, Iowa, to provide full range engineering services on an hourly rate basis to a maximum of $13,040. The board has not approved a project budget.

University Hospitals - Anesthesia On-Call Quarters
Ratify selection of Hansen-Lind-Meyer, Iowa City, Iowa, to provide final design services and contract administration for a lump sum fee of $500. This is also part of the West Facade Extension in the Carver Pavilion project.

The board was asked to act on the following special contract matters:

University Hospitals - Third and Fourth Floor Carver Pavilion (Finishing)
In June the board approved a $6,886,638 project funded by University Hospitals Building Usage Funds to finish floors three and four of the Carver Pavilion to house urology and cardiology clinics. The board also authorized the selection of Hansen-Lind-Meyer as the architect and permitted the institution to negotiate a contract with that firm. The contract has been negotiated and approval was requested. Compensation for basic services is on the basis of a fixed fee of $167,000. Reimbursable expenses are an additional $30,000. The Board Office said the contract was in order.
South Pavilion - Phase A
Source of Funds: University Hospital Revenue Bonds

The university reported on bids received for this project. In indicated
that due to construction methods and essential underground utility
relocations, it was now possible to incorporate certain increased area
in the project. It said add-alternate spaces could now be constructed
at a much reduced cost that would be incurred if completing them at a
later date. The university requested approval of a revised budget of
$24,675,000. The preliminary budget was $21,947,755. Bids were received
on August 19. Four bids were received. Award was recommended to

Mr. McMurray indicated that the base bid received for this project was
within the budget and was about $51,000 below the architect's final
estimate of construction costs. He said the university's revised
budget also appeared to be in order.

Vice President Bezanson said the base bid resulted in a very attractive
cost per square foot for the project. The average cost is about $103
per square foot. He noted that a number of add-alternates were placed
in the bid as a test in hopes that the university would be able to afford
some of them. Vice President Bezanson said that in Mr. Colloton's
judgment, the building usage funds which will be added to the project
through budget revision would have eventually been used over a period
of time to construct much of this space. He said Mr. Colloton's
recommendation was that the add-alternates be undertaken now because of
the extremely attractive bids on them.

President Petersen noted that the add-alternate items were for additional
space in the basement, an elevator, and other modifications. She noted
that the revised budget would double the amount from hospital building
usage funds. This would mean that $6,675,000 would be funded from the
hospital building usage fund rather than the original budget of $3,947,755.
Mr. Richey asked where the additional $2,272,245 came from in the hospital building usage fund. Vice President Bezanson indicated that the amounts noted are balances in the fund which are provided to undertake repairs in an ongoing way. Mr. Richey asked how this would effect the large number of projects that are normally financed through this fund. Vice President Bezanson said the proposed revised budget would allow the hospital to do many of the things that could be part of such projects earlier than planned at a very attractive price.

Vice President Bezanson introduced Mark Matthis and Ken Yearington of the business office who were present to answer questions on this proposal.

Mr. Richey said he was raising a question because a pattern has developed with respect to the hospital. It is not unusual to receive requests for revised budgets of $3 or $4 million during the year. He wondered if there was a way it improve the planning process and be better able to know what really is the intent.

Vice President Bezanson was not aware of a pattern. He said the hospital now had the chance to construct the add-alternates and wanted to take the opportunity to use the hospital building usage fund to the best economic advantage.

MOTION: Mr. Brownlee moved that the board approve the Register of Capital Improvement Business Transaction for August 1980; award the contract for University Hospitals - South Pavilion - Phase A; ratify award of construction contracts made by the executive secretary; reject the bid for the Electrical Contract for University Hospitals - Fourth Floor North Tower Interface; approve the new projects; ratify award of contracts for consultant and engineering services; approve the contract for University Hospitals - Third and Fourth Floor Carver Pavilion (Finishing); approve the revised budget; and authorize the executive secretary to sign all necessary documents. Mr. Shaw seconded the motion and it passed unanimously.
PROPOSAL BY THE UNIVERSITY OF IOWA STUDENT ASSOCIATIONS SENATE. The University of Iowa Student Associations Senate (UISAS) presented a proposal requesting suspension for one academic year of the policy prohibiting unattended non-university student minors from attending Field House concerts.

It was noted in the UISAS proposal that over a decade ago a policy evolved at the university prohibiting non-university student minors from attending concerts at the Iowa Field House. The policy was established in response to problems the administration faced as a result of the unruly behavior of concert audiences and the volatile social climate in Iowa City during the early to mid 1970s. The UISAS said the primary motivation for the restrictions were the administration's concerns over the liability of the university if non-student minors were injured at a concert and the ensuing public criticism of the university which would have resulted.

UISAS pointed out that the restrictions were enacted during a period of significant campus unrest which often resulted in violence and jeopardized university and community relations. It said the administration's concerns over the university's liability were magnified in this social context.

This policy was amended in 1977 to allow minors not attending the university to attend Field House concerts only if accompanied by a parent.

The UISAS said the policy prohibiting non-university student minors from attending Field House concerts is currently enforced, while restrictions governing non-university student minor admittance in the the Iowa Memorial Union and Iowa recreational facilities are not enforced. It was noted that minors not affiliated with the university provide substantial revenue for the university through their use of these facilities. UISAS said the policy restrictions were making financially successful student concert programming an impossibility at the university.

Vice President Bezanson introduced Bruce Hageman, President of Student Senate; Dave Ahrens of the Collegiate Associations Council; and Kathy Tobin, Vice-President of Student Senate. Miss Tobin spoke on behalf of the group.

Miss Tobin said that since the UISAS report was submitted, the organization has met with President Boyd who indicated he would not support the proposed resolution. However, an agreement was reached on suspension of the policy restricting non-university minors at concerts on a concert-by-concert basis. Miss Tobin said student government would take all responsibility for all aspects of the concerts.

Vice President Bezanson said this policy involves a crowd control problem and is not related to a period of time at the university. He said the university is reluctant to undertake obligations to a broader public. The university's primary mission relates to students.

It is acceptable to the university to test this on a concert-by-concert basis. Vice President said if there were any difficulties with crowd control, the suspension of the policy would be terminated immediately.
Vice President Bezanson indicated the students understood this. He explained that the student organizations rent the facilities from the university and as student organizations, they undertake the risks and liabilities.

He said the university does not want to irrevocably shift a policy about which it has some concerns but it also believes the students have made a substantial effort. If they can undertake suspension of the policy with peer control, the university is prepared to allow them to try this.

Regent Bailey commended the students for a very good presentation and for their planning efforts.

MOTION: Mr. Bailey moved that the policy restricting non-university minors from attending Field House concerts be suspended on a concert-by-concert basis. Dr. Harris seconded the motion.

President Petersen asked if a period of time for this suspension should be indicated. Vice President Bezanson said the time period should remain indefinite. The university must retain flexibility to terminate this option at any time in case there are any difficulties. He said if there is satisfactory experience with the suspension of the policy after a period of time, the university will request a permanent rule change in the [Iowa Administrative Code].

In regard to the suspension, Casey Mahon indicated that it may be possible to do this on an emergency waiver. Vice President Bezanson said the university would check into the legal requirements involved in suspending the policy.

In answer to a question from Regent Neu, Vice President Bezanson said the students will take out property and personal liability insurance for each concert. This is currently done.

Mr. Richey asked if the board could have a report back on this issue in a year. Vice President Bezanson said the university would report back in a year or before that time.

VOTE ON MOTION: The motion passed unanimously.

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

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

Appointment and Reappointments:

Bruce Chambers, as Director of the University of Iowa Museum of Art at a 12-month salary of $37,500, effective August 18, 1980.
Charles R. Klasson, as chair, Department of Management Sciences, for a one-year term, effective August 1, 1980.

E. John Kottman, as chair, Department of Marketing, for a one-year term, effective August 1, 1980.

Richard A. Stevenson, as chair, Finance Department, for a three and one-half year term, effective January 15, 1981.

John H. Smith, as head, Department of Accounting, effective August 1, 1980.

Resignation:

Thomas L. Tobin, as Director of Public Information, effective August 22, 1980.

President Petersen expressed appreciation for the work Mr. Tobin has done.

MOTION: Mr. Shaw moved that the board approve the above appointments and resignation. Mrs. Jorgensen seconded the motion and it passed unanimously.

SPECIAL SECURITY OFFICER. The board was asked to approve the commissioning of Beverly J. Molloy as permanent Special Security Officer.

Miss Molloy has been a full-time patrol officer with the Department of Security and Parking since August 6, 1979. She has successfully completed the Iowa Law Enforcement Academy's nine-week basic training course.

MOTION: Mr. Shaw moved that the board approve the commissioning of Beverly J. Molloy as permanent Special Security Officer. Mr. Shaw seconded the motion and it passed unanimously.

STUDENT TEACHING CONTRACTS. It was recommended that the board ratify student teaching contracts for 1979-80.

The Board Office said in accordance with the Regents Procedural Guide, Sections 7.17 and 4.33, student teaching contracts are executed by the executive secretary and the president or designee. Contracts signed during the year are presented annually to the board for ratification.

Regent Jorgensen asked why the board was being asked to ratify the contracts so long after the fact. President Petersen said this was so that the board would not have to deal with the contracts one at a time. Mr. Richey further explained that the board has established a set of policies for the contract. The contracts are signed by the executive secretary during the year if they are consistent with the policies approved by the board at the outset of the year.
MOTION: Mrs. Jorgensen moved that the board ratify the student teaching contracts for 1979-80. Mr. Shaw seconded the motion and it passed unanimously.

CHANGE IN NAME OF THE DIVISION OF POSTSECONDARY AND CONTINUING EDUCATION TO DIVISION OF FOUNDATIONS, POSTSECONDARY AND CONTINUING EDUCATION. It was recommended that the board refer this name change to the Interinstitutional Committee on Educational Coordination and the Board Office for review.

The Board Office noted that it appeared there may be programmatic implications to this proposed change in title. It also noted that no information was provided regarding the financial implications of the proposal.

MOTION: Mr. Bailey moved that the board refer the change in name of the Division of Postsecondary and Continuing Education to Division of Foundations, Postsecondary and Continuing Education to the Interinstitutional Committee on Educational Coordination and Board Office for review. Mr. Shaw seconded the motion and it passed unanimously.

JOHN F. MURRAY FUND. The board was asked to accept the following report and ratify changes.

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<tr>
<th>Maturing Security</th>
<th>$80,000.00</th>
<th>FNMA 7.25%</th>
<th>3-190-80</th>
<th>Purchased 6-15-79</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security Purchased</td>
<td>$80,000.00</td>
<td>FNMA 15.25%</td>
<td>2-10-82</td>
<td>Purchased 3-10-80</td>
</tr>
</tbody>
</table>
The following business pertaining to the State University of Iowa was transacted on Friday, August 22, 1980.

BUILDINGS TO BE RAZED. It was recommended that the board approve razing eleven structures containing 37,288 gross square feet.

The Board Office said eight houses would be razed in order to clear the site for the new College of Law building. Six of the spaces are currently rented as tenant properties, one is used by the university, and one is in the acquisition process.

The university also requested permission to raze two buildings which can be demolished due to the transfer of occupants to the recently acquired building at 700 South Clinton Street. And the university requested permission to raze a house which can be demolished because the occupants are to be relocated to East Hall.

The Board Office noted that the university was to be commended for its continued diligence in eliminating such space, when it is possible to do so, thereby reducing certain operating costs.

MOTION: Mr. Bailey moved that the board approve razing eleven structures containing 37,288 gross square feet: four of which are used by the university, six of which are tenant properties, and one (229 Grand Avenue) which is planned for acquisition. Dr. Harris seconded the motion and it passed unanimously.

LEASE RENEWAL WITH THE MAYFLOWER VENTURE FOR LIBRARY BOOK STORAGE. The recommendation was that that 4,812 square feet of storage space for law library books be leased from the Mayflower Venture for the period beginning October 1, 1980, and ending September 30, 1981, at an annual rent of $12,900.

The Board Office said the proposed lease agreement represented a price increase of $660 on an annual basis. This was an increase of 5.4%.

The property will continue to be used for storage of library books.

The Board Office recommended that the lease be renewed.

MOTION: Mr. Bailey moved that the board renew the lease for 4,812 square feet of storage space for law library books at 1110 North Dubuque Street, Iowa City, Iowa, from the Mayflower Venture for the period beginning October 1, 1980, and ending September 30, 1981, at an annual rent of $12,900. Mr. Shaw seconded the motion. Upon the roll being called, the following voted:

AYE: Bailey, Brownlee, Harris, Jorgensen, Neu, Shaw, Wenstrand, Petersen
NAY: None
ABSENT: None
NEW LEASE: STATE SERVICES FOR CRIPPLED CHILDREN OFFICE AND CLINIC, CRESTON, IOWA. It was recommended that the board approve a 12-month lease, commencing June 1, 1980, for space at 907 West Townline, Creston, Iowa, for a total year rental of $4,200 in monthly installments of $350.

The Board Office said the regional office was relocated in Creston, Iowa, replacing the Red Oak, Iowa, office. The space will be used for the regional office.

The lease includes the rental of 990 square feet of office space and rental includes all utilities. Either party may cancel with 30 days written notice.

The cost per square foot is $4.25. The university reported this rate and the terms of the lease appeared to be fair and equitable.

The Board Office recommended that the proposed one-year lease for office space be approved.

Regent Bailey noted that the rental for this lease was a very favorable rate.

MOTION: Mr. Bailey moved that the board approve a 12-month lease, commencing June 1, 1980, for space at 907 West Townline, Creston, Iowa, with a total yearly rental of $4,200 in monthly installments of $350. Mr. Wenstrand seconded the motion. Upon a roll call, the following voted:

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

NAY: None

ABSENT: None

PURCHASE OF PROPERTY. It was recommended that the board approve the purchase of property located at 323 South Madison Street, Iowa City, Iowa, from Margie G. Troyer for a purchase price of $45,000.

The purchase was for a parcel consisting of a one-story bungalow with basement on a 6,000 square foot rectangular lot. The purchase price was the higher of two appraisals. Funds for the purchase were available from unexpended balances of income from Treasurer's Temporary Investments.

The university noted that the property is located well within general campus boundaries immediately adjacent to Physical Plant offices and shops. Since it is zoned for light industrial, failure to purchase would likely result in an increase in future acquisition costs. The property will be used for administrative space until it is needed for other university purposes.

Vice President Bezanson indicated that the university owned most of the land in the area of the parcel and said the university was requesting permission to purchase it because it is now on the market.
MOTION: Dr. Harris moved that the board approve the purchase of property located at 323 South Madison Street, Iowa City, Iowa, from Margie G. Troyer for a purchase price of $45,000. Mr. Shaw seconded the motion. Upon the roll being called, the following voted:
AYE: Bailey, Brownlee, Harris, Jorgensen, Neu, Shaw, Wenstrand, Petersen
NAY: None
ABSENT: None

LEASE RENEWAL: PARKING LOT, 100 BLOCK, NORTH CLINTON STREET, IOWA CITY, IOWA. It was recommended that the lease with the landlord for parking lot space in the 100 block, North Clinton Street, Iowa City, Iowa, be renewed for one year, commencing September 1, 1980.

The Board Office said the lease is for a surface parking area of approximately 7,600 square feet with parking space for 26 vehicles.

The university proposed to continue to lease 15 of the 26 stalls following the same rental conditions as in the initial lease. The rental cost will be one-half the existing reserved faculty/staff parking cost per month, or $ per month per stall. The estimated annual cost of the lease was expected to be $720.

The lease may be renewed annually at rates negotiated prior to July 1 each year. It was reported that the lessor may terminate the lease with 90 days notice.

The Board Office recommended that the parking lost lease with the Bishop of the Diocese of Davenport - Gerald O'Keefe for the Catholic Student Center be approved.

MOTION: Mr. Bailey moved that the board approve the renewal of the lease with the landlord, Bishop of the Diocese of Davenport - Gerald O'Keefe for the Catholic Student Center, for parking lot space in the 100 block, North Clinton Street, Iowa City, Iowa, for one year, commencing September 1, 1980. Mr. Wenstrand seconded the motion. Upon the roll being called, the following voted:
AYE: Bailey, Brownlee, Harris, Jorgensen, Neu, Shaw, Wenstrand, Petersen
NAY: None
ABSENT: None

LEASE OF PROPERTY FROM MAYFLOWER APARTMENTS, 1110 NORTH DUBUQUE, IOWA CITY, IOWA: It was recommended that the board ratify the lease signed by the executive secretary for 19 apartment suites in the Mayflower Apartments, 1110 North Dubuque Street, Iowa City, Iowa.
The Board Office noted that the board had authorized the executive secretary to review and take action on behalf of the board on this lease, subject to ratification of the board.

The final lease was that outlined in a letter of intent dated June 12, 1980, between the university and the Mayflower Venture, a partnership described as Mayflower Apartments. There were two exceptions to the letter of intent. A minimum of 11 (rather than 12) quadruple units among the 19 apartment suites was proposed for leasing and a balance of eight (rather than seven) units, the cost of which would be determined by actual occupancy based on a prescribed rental schedule.

Students will be asked to attest to the following points through signature:

The Mayflower wing involved is deemed part of the University of Iowa residence hall system and

Students assigned to the Mayflower wing are subject to all the terms and conditions of the residence halls application/contract with the exceptions noted on the signed statement.

It was reported that current applications indicated full residency of the Mayflower wing. The Board Office noted that this arrangement is considered an interim measure by the university to accommodate an unusually large number of residence system applications.

The Board Office recommended that the lease executed by the executive secretary be affirmed.

MOTION: Mr. Brownlee moved that the board ratify the lease signed by the executive secretary for 19 apartment suites in the Mayflower Apartments, 1110 North Dubuque Street, Iowa City, Iowa. Dr. Harris seconded the motion. Upon the roll being called, the following voted:

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

PURCHASE OF PROPERTY. It was recommended that the board approve the purchase of property located at 229 Grand Avenue, Iowa City, Iowa, from Nick and Genevieve Lutgen for a purchase price of $61,000.

The Board Office noted that in June the board adopted a resolution that it would proceed to acquire this property which was deemed necessary for campus development.

Since that time, a mutually acceptable purchase contract has been consummated. The property will be purchased for $61,000 which is the higher of two appraisals. Funds for this purchase are available through unexpended balances of income from Treasurer's Temporary Investments.

The house on the property will be demolished to clear the site for the proposed law building.
STATE UNIVERSITY OF IOWA
August 21-22, 1980

MOTION:
Mr. Bailey moved that the board approve the purchase of property located at 229 Grand Avenue, Iowa City, Iowa, from Nick and Genevieve Lutgen for a purchase price of $61,000. Dr. Harris seconded the motion; Upon the roll being called, the following voted:
AYE: Bailey, Brownlee, Harris, Jorgensen, Neu, Shaw, Wenstrand, Petersen
NAY: None
ABSENT: None

COLLEGE OF LAW BUILDING - DECISION ON INCLUSION OF A PASSIVE SOLAR WALL IN DESIGN. An information report was made to the board that a decision had been made to delete a passive solar wall from the design for the College of Law building.

The Board Office said the university studied the inclusion of a passive solar wall in the design for the College of Law Building and determined it would not be cost effective. The Board Office commended the university and the architect for a design which is apparently highly "energy efficient."

The heating costs at current prices for the building, as designed, consisting of 181,600 gross square feet or 117,275 net square feet, was estimated to be $12,700 annually. The additional savings through use of a passive solar wall would be approximately $1,068 per year which, when taken against a cost factor of $350,000, would take 328 years to pay back the initial investment.

President Petersen received the report on behalf of the board.

President Petersen then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the State University of Iowa. There were none.
The following business pertaining to Iowa State University was transacted on Thursday, August 21, 1980.

1980-81 FINAL BUDGETS. It was recommended that the board approve the final operating budgets for 1980-81 as follows:

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General University</td>
<td>$104,212,987</td>
</tr>
<tr>
<td>Experiment Station</td>
<td>$11,667,160</td>
</tr>
<tr>
<td>Cooperative Extension Service</td>
<td>12,994,230</td>
</tr>
<tr>
<td>Total General Program Operations</td>
<td>$128,874,377</td>
</tr>
<tr>
<td>Restricted General University Program Operations</td>
<td>$31,322,426</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>54,026,960</td>
</tr>
<tr>
<td>Total Budget for Operations</td>
<td>$214,223,763</td>
</tr>
</tbody>
</table>

The restricted general university program includes $300,000 of special state appropriations for livestock disease. The auxiliary enterprises includes $17,608,790 for the dormitory and dining service.

The Board Office reported on the budget for the General University.

Funding. The total income budget of $104,212,987, including $78,411,987 of appropriations and $25,801,000 of institutional income, remained unchanged from the preliminary budget. Institutional income included $22,954,000 of student fee income.

Expenditures. The institution reported increases in budgeted salaries of 7% for faculty and institutional officials. It said salary adjustments range from zero to a substantial increase on the basis of performance and competitive conditions with slightly higher increases on the average to the lower ranks.

The amount of $50,379 appropriated to replace federal funds losses was included in the College of Veterinary Medicine budget. Contract tuition funds in the amount of $475,000 were budgeted in restricted accounts for salary support of the college.

Professional and scientific personnel were provided with a mandatory salary increase of 5% and an additional average salary increase of 2% based on merit following the pay matrix approved by the board.

General service staff were provided salary increases in accordance with the pay matrices approved by the board or specified in the appropriate collective bargaining agreements. The average base salary adjustment for the Regent Merit System pay plan amounted to 5.4%.

Long-term Disability Benefits. The institution reiterated a proposal to continue employer contributions to individual health insurance contracts for employees qualifying for long-term disability. The institution agreed to delay implementation of the proposal until September 1, 1980, but
IOWA STATE UNIVERSITY
August 21-22, 1980

wished to implement the proposal at least for the faculty and professional
and scientific employees.

Adjustments from Preliminary Budget. The most significant adjustment
from the preliminary budget pertained to salary support which was included
in "supplies and services" in internal budgets. This portion of the budget
was restated as "salaries" for the final operating budget summary. The
revision agrees with policies previously proposed by the Uniform Budgeting
and Accounting Committee and approved by the Board of Regents.

The revision shifted about $240,000 of salaries from internal budgets of
supplies and services for the Iowa State Center. Previously a similar
budgeting treatment has been applied to academic computer center, admin­
istrative data processing, physical plant, and printing.

The institution reported that faculty staff adjustments among departments
and colleges were made to respond to changes in enrollment patterns and
programs within the university.

The institution proposed no changes from the preliminary budget for other
expenditure categories and for institutional income categories.

In the area of academic program adjustments, it was reported that the
university made adjustments in departmental budgets to attempt to respond
to changing conditions and priorities. The adjustments included changes
in the Agricultural Administration and Agricultural Studies Departments to
realign responsibilities and improve performance. It proposed to add an
associate dean, placement officer, and administrative assistant to Design
Administration. An increase in Safety Education was to respond to enrollment
increases in the department.

Reserve Accounts. Reserve accounts are established for certain purposes and
provide for more efficient response to changes that occur during the fiscal
year. The amounts budgeted for various reserve accounts for 1980-81
as compared with 1979-80 are as follows:

<table>
<thead>
<tr>
<th>Reserve Account</th>
<th>1979-80</th>
<th>1980-81</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserve for matching funds</td>
<td>$165,000</td>
<td>$190,000</td>
</tr>
<tr>
<td>Reserve for pay adjustments</td>
<td>460,000</td>
<td>460,000</td>
</tr>
<tr>
<td>Reserve for waste chemical handling</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Reserve for temporary teaching assignments</td>
<td>582,000</td>
<td>650,000</td>
</tr>
<tr>
<td>Reserve for sick leave payout</td>
<td>161,700</td>
<td>99,520</td>
</tr>
<tr>
<td>Unallocated</td>
<td>617,193</td>
<td>832,928</td>
</tr>
</tbody>
</table>

The reserve for matching funds of $190,000 was provided to attract federal
funds up to an equal amount mostly for badly needed equipment. The reserve
for pay adjustments was to provide for merit increases for employees
under the Regent Merit System and for professional and scientific staff
reclassification. The reserve for waste chemical handling was for some
final equipment purchases and operations of the facility which was funded
as an essential program adjustment.
The reserve for temporary teaching assignments allowed for analysis of enrollment shifts for each of the academic terms before hiring some teaching personnel. This allows flexibility to satisfy the teaching workload most efficiently.

The reserve for sick leave payout was established because the amount will be allocated according to need for the specific purpose. An unallocated amount of $832,928 provides for budgeting flexibility and is to be used for unanticipated expenditures for supplies and services and for equipment, providing salary lapses permit.

Prebudgeted salary lapses allow for budgeting personnel to carry the workload when resignations and retirements are netted out. A proposed prebudgeted salary lapse of $2 million amounted to 2.4% of the net budgeted salaries and compared with a budget of $1.8 million and actual salary savings of $1,555,000 for 1979-80 reported by the institution. The institution reported that salary savings during 1979-80 were below budget and previous experience because the tighter job market resulted in fewer resignations. The 1980-81 budget includes adjustments for salary increases and the position freeze program.

The Board Office reported on the budget for the Agriculture and Home Economics Experiment Station.

Income. The budget of $11,667,000 for the Experiment Station is supported by $2,795,000 of institutional income and $8,872,000 of state appropriations. Institutional income consists of $2,668,000 of federal funds and $127,000 of sales and services. None of these figures were revised from those presented in the preliminary budget. The federal fund portion of the income is based on the current federal fiscal year appropriation because allocation of federal funds was not known.

Expenditures. The only changes from the preliminary budget were a reduction in net salaries of $12,000 and an increase in supplies and services of an equal amount of $12,000. Changes in salaries consisted of increases of $8,400 and $3,600 for faculty and institutional officials and professional and scientific staff, respectively, and a reduction of $24,000 in general service staff. These minor changes resulted from development of the detailed final budget.

A $12,000 increase in supplies and services was to adjust the salary savings budget to a more realistic level. The proposed amount budgeted for salary savings was $330,076.

The institution reported an effort in cooperation with the U.S. Department of Agriculture toward resolution of existing and long-range needs/problems facing those involved with the production of food, feed, and fiber.

The Board Office reported on the budget of the Cooperative Extension Service in Agriculture and Home Economics.

Income. The proposed budget of $12,994,000 is to be supported by federal funds in the amount of $4,531,000 and state appropriations in the amount of $8,463,000. The institution stated that federal funds reflected current estimated of the proposed federal budget for the Smith-Lever program, which is currently under consideration in Congress.
Expenditures. The institution proposed salary increases in accordance with the policies for the general university. The final budget showed a reduction in salaries for personnel in the amounts of $600 for faculty and institutional officials, $11,000 for professional and scientific staff, and $33,700 for general service staff, for a total of $45,400. The budget for supplies and services was increased by a like amount.

The budget for salary savings was increased from $300,000 for 1979-80 to $321,000 for 1980-81.

The Board Office reported on the budget in Other Programs.

Restricted program operations were estimated to amount to $31,322,426 for 1980-81. These programs are supported by contracts and gifts and grants for special purposes. The amount includes $300,000 of state appropriation for the livestock disease program.

Auxiliary enterprises were estimated to amount to $54,026,960 for 1980-81. The budget for auxiliary enterprises includes total income from the dormitory system in the amount of $17,608,790. The dormitory system income would support operating expenses of $14,850,113 and leave a surplus of $503,557 after meeting debt service obligations. These figures are the same as those presented to the board when it approved the dormitory rates in February.

The Board Office said the final budget contained only minor revisions from the preliminary budget for general program operations as a result of detailed calculations. Therefore, it recommended that the final budgets be approved.

Regent Shaw questioned implementing the disability plan only for faculty and professional and scientific personnel. Assoc. Vice President Madden explained that in the past the university paid the employee contribution for staff members when they became disabled. When the Blue Cross plan was adopted by the state, the university ceased doing this. The Insurance Committee of the university has been studying this area and the university feels it is in a position to reinstitute and continue the program of paying contributions to employees qualifying for long-term disability. It is felt that this is an appropriate benefit for faculty and professional and scientific staff. He said it would be possible to finance this internally.

Regent Shaw objected to implementing the program for the faculty and professional and scientific staff without doing something for the other staff. He also questioned the philosophy of refreshing a fringe benefit program just because there is money available to do it. Regent Shaw also noted that the fringe benefit program was being designed by the people who would benefit from it. He pointed out that individuals who are disabled will likely be receiving medical payments from Medicare.

Assoc. Vice President Madden said the university's rates for health insurance premiums is as low or lower than any other employer. People spend a great deal of time considering benefits. The university felt strongly that it has these resources and it should apply them as effectively as it can.
Mr. Richey noted that the source of funds for this proposal did not have any impact on the Board Office recommendation. He said that, with respect to non-organized employees, this is something the university can do with modest cost and without undue effect on other parts of the institution. The exception taken to this proposal in June was to make sure there was consultation with the state. He said this benefit would have more psychological value in terms of employee relations at Iowa State than the costs that might be involved. It will have a healthy impact in terms of employee attitudes toward the board and increase their morale.

Regent Shaw expressed concern about the way the board deals with fringe benefits. He thought the board ought to be more involved in the establishment of fringe benefits. People who are directly affected by the policies are the ones who have a part in making them.

Vice President Moore said the board and institution have become leaders in providing employment benefits because the institutions took leadership roles in developing academic retirement and health programs. He said this caused the state to make improvements in the IPERS program.

Regent Shaw felt that if this program were made too generous, disability claims would increase. Vice President Moore disagreed and said it is difficult to convince people to go on disability. Regent Wenstrand said Regent Shaw's point was true of any insurance program and did not think this case could be singled out.

President Petersen said that the board's system of governance is a shared governance. Final authority rests with the board. She asked Regent Shaw if he was suggesting a change in the governing procedures.

Regent Shaw said some types of fringe benefits should be uniform for all employees.

Regent Bailey said the extent to which the board and institutions emphasize fringe benefits compared to salary could work to their own detriment. He said there is an inclination of the faculty and others to compare salaries without considering the dollars involved in the fringe benefits. He said he would like to have some information on this and on how the Regent institutions fringe benefits compare with the competition in dollars. Mr. Richey said the Board Office would get this information. President Parks said the Teachers Insurance Annuity Association has done a survey on this subject.

Mr. Henry began a discussion about access to classes at the university. He referred to a recent discussion with the deans of Engineering, Agriculture, and Sciences and Humanities. He noted that in engineering and some science areas there has been underfunding in the teaching segment. As a result, students are unable to follow the normal progression toward a degree in four years. He said this is really a tax to students and their parents of lost income and additional tuition they must pay. This becomes a reverse tax on the State of Iowa because these students are unable to earn an income.
President Petersen asked Iowa State University to outline how it planned to meet the 3.6% cutback mandated by the Governor.

Assoc. Vice President Madden said the university was exploring a substantial energy reduction program on the campus to save $600,000. The university is considering closing facilities in the evening and weekends, hopefully without materially altering any programs. This topic is under review, particularly in the context of providing adequate study space for students.

There is also discussion about changing the academic calendar with the possibility of closing down for an additional week during the Christmas recess period. This proposal appears to offer substantial energy savings. There are a number of problems with it in terms of employees and the impact on students. The spring quarter would possibly be extended through the last week in May.

The university proposed to reduce its equipment budget by $400,000; reduce building repairs by $4,000-$5,000; and reduce the supplies and services budget in some central administrative areas. Some reduction in library book purchases may be necessary.

A salary savings of $800,000-$900,000 beyond the budgeted $2 million through attrition and freezing vacant positions is anticipated. This will be done in all personnel categories. There will be some particular problems in meeting instructional needs as this is done.

The Agricultural Experiment Station and Cooperative Extension Service are reviewing programs they could reduce. In the extension area, it is possible some services around the state will have to be reduced.

With respect to delaying courses offered, Regent Bailey was concerned that students would be on campus taking up dormitory space and taking other courses they did not need. He said it was important that every effort be made to meet the needs of the students.

President Parks said there were two priorities in dealing with the 3.6% cutback: 1) to maintain the quality and availability of teaching and learning to the greatest extent possible and 2) salaries. He noted that in recent years students have had to wait for classes and hoped that this would not greatly weaken the program.

President Parks said the reversion would be painful and that there would be a priority on taking care of these students.

Vice President Moore said the Dean of Agriculture and Director of the Agricultural Experiment Station told him there is some discussion in the federal government about increasing the defense budget. The money for this would come from other areas and the experiment station could lose federal money. Therefore, it is faced with the possible loss of federal money and a reversion of funds to the state. He said the choices in dealing with this problem are limited for the experiment station.

Vice President Moore said it should be shown that this is not "business as usual." Ways should be found to tell what this is doing to the institutions and to the students and to research.
Vice President Moore commented that a significant portion of the reversion would be met with fuel savings. He said the university was assuming that if $600,000 of fuel is saved, it will be able to use that for reversion to the state. President Petersen said this was a valid assumption.

**MOTION:** Dr. Harris moved that the board approved the budgets of $104,212,987 for the general university, $11,567,160 for the experiment station, $12,994,230 for cooperative extension service, $31,322,426 for restricted program operations, and $54,026,960 for auxiliary enterprises for a total budget for operations of $214,233,763. Mr. Wenstrand seconded the motion and it passed unanimously.

The following business pertaining to Iowa State University was transacted on Friday, August 22, 1980.

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

**OTHER PERSONNEL TRANSACTIONS.** The board was requested to approve the following action.

Appointment:

Howard P. Johnson as Acting Head of the Department of Agricultural Engineering, effective June 24, 1980, salary as budgeted.

**MOTION:** Mr. Bailey moved that the board approve the above appointment. Mr. Wenstrand seconded the motion and it passed unanimously.

**BUDGET CEILING INCREASE FOR 1979-80.** It was recommended that the board approve a general education fund budget ceiling increase by $1,058,000 to $97,968,000 for 1979-80.

The Board Office reported that the institution requested a budget ceiling increase because available funds were greater than was anticipated in April when the board approved increasing the general university budget to $96,910,000.

The request was unusual because it occurred following the end of the applicable fiscal year. The institution had authorized $1,067,000 in equipment and building repairs encumbrances.

The university said it presented the request at this time due to unanticipated income from increased summer school enrollment and modifications to expenditures levels resulting from prior year fuel and purchased electricity pass-through appropriations.

About half of the budget ceiling adjustment pertained to the university's share of the $550,000 of supplemental fuel and purchased electricity appropriations and interinstitutional transfers approved by the board a
year ago. The Board Office pointed out it was known that a share of the 
$225,000 supplemental appropriations to cover the deficit carried froward 
from 1978-79 was available in time to request a budget ceiling increase 
in June before the end of the fiscal year.

The institution stated that a physical inventory of the coal supply is in 
process. Actual expenditures as determined from beginning and ending 
physical inventories for 1979-80 and purchases during the year may lead to some 
inventory write-off which would be a normal and prudent inventory management 
procedure and would be applicable to 1979-80. This matter could not be 
addressed before the end of the fiscal year.

The institution experienced a reduction in salaries and wages from the 
previous budget because of budget transfers to meet need for supplies and 
services. This reduction plus the additional income of $1,058,000 is 
to be used mostly for equipment ($1,538,000) and building repairs 
($93,000), both of which are badly needed.

To avoid this situation in subsequent years, the Board Office said it would 
be desirable for the university to anticipate its needs and seek budget 
 ceiling revisions in May or June. The Board Office suggested it may also 
be desirable for the institution to consider treating income from the summer 
session in the following fiscal year to eliminate the difficulty of dealing 
with unknown income late in the year.

In view of the severe need for equipment and building repairs, the Board 
Office recommended approval of the proposed general educational fund 
budget increase.

MOTION: Mr. Brownlee moved that the board approve the 
increase of $1,058,000 to the general educational 
fund budget for a budget of $97,968,000 for 1979-80. 
Mr. Bailey seconded the motion and it passed 
unanimously.

NEW LEASE: AREA EXTENSION OFFICE, DAVENPORT, IOWA. It was recommended 
that a five-year lease with the High Point Offices Partnership for office 
space be approved.

The Board Office noted that the Area Extension Office was previously 
located in Bettendorf, Iowa. The university experienced difficulties in 
negotiating a reasonable renewal of that lease and searched for alternate 
space for the extension office.

The proposed new space totals 1,875 square feet which is 610 feet less 
than the previous space. The cost per square foot for the basic lease in 
Davenport is $7.04. The best offer of the current lessor is $7.46 per 
square foot. Reduced space requirements will lead to a substantially 
lower basic lease cost in the new location. The university estimated a 
saving on the new lease of at least $1,000 per year. There is an escalator 
clause in the new lease proposal covering only taxes and insurance.

The Board Office said the proposed rate, plus alterations and utility 
requirements, appeared to be equitable. It recommended that the new 
Area Extension Office lease with the High Point Offices Partnership 
for an annual rental of $13,200 be approved.
MOTION: Mr. Bailey moved that the board approve a five-year lease with the High Point Offices Partnership for office space located at 2711 West 63rd Street, Davenport, Iowa, effective October 1, 1980, with an initial annual rent of $13,200. Mr. Shaw seconded the motion. Upon a roll call vote, the following voted:

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

LEASE OF OAKWOOD APARTMENT COMPLEX. It was recommended that the board approve a one-year lease for the Oakwood Apartments from the Oakwood Limited Partnership, 137 Linn Avenue, Ames, Iowa, in the amount of $280,000, subject to consultation with the Iowa Attorney General's Office.

The Board Office explained that the Oakwood Apartments are a new, vacant condominium complex with 84 apartments. The university proposed to lease the complex to alleviate increased demand for student housing this fall. The apartments will be used for married students and families.

The additional apartments will be leased for the use of the university residence department. Monthly rentals for the apartments range from $250 to $300 per month. Garage space will rent for $15 per month.

The addition of this apartment complex to university residence department housing will allow a reallocation of existing residence department housing in a way that will increase graduate student housing by 22 unit. This, in turn, will generate additional income for the residence department. Additional revenue will be earned from housing single student in some space formerly allocated to married students. It was reported that full occupancy of all units would net a rounded $342,000. The lease provides for a $280,000 payment.

The Board Office said the ability of the university to fill its residence department housing in recent years indicated the lease arrangement would be a reasonable risk and would serve the best interests of the university and its student body.

The Board Office recommended that the Regents approve the proposed lease and noted that signing of the lease by the executive secretary would occur subsequent to consultation with the Attorney General's Office.

President Petersen distribution a series of letters to board members that were received from various landlords of some of the private housing and apartment complexes in the Ames community. She called the board attention to an article in the Ames Tribune, which carried a story on the rental of the complex, and to the want ad section of the paper, which carried a number of for rent ads from various housing complexes.
Vice President Christensen said there was a meeting with the landlords and Mr. Frederiksen, Director of Residences to explain some misunderstandings.

One of the landlords' objections to the university renting Oakwood Apartments was that they thought tax funds were involved and did not consider this a wise expenditure of tax funds. It was explained to them that no tax funds are involved in this proposal.

Another misunderstanding of the landlords was that they thought the university's reasons for entering into the proposed lease were different than the actual reasons. The residence department, because of various things that have happened, has need for housing for a number of single students that is in excess of the space available. The university issued firm contracts for single housing they could not meet. Normally there is a number of cancellations of housing contracts in the summer, but there was a significant drop in cancellations this summer resulting in an over-commitment by the university.

Vice President Christensen said the use of the 84 apartments in one location would make it possible to effectively monitor them. By using the Oakwood Apartments for married student housing, it will be possible to house single students in regular university housing and meet the contractual obligations the university incurred before July 1 of this year.

After the meeting with the landlords, Mr. Frederiksen reported that they had a better understanding of why the university is proposing this lease. There are still some differences of opinion about whether this is the best way to deal with the problem, but there are no ill feelings. The last part of the meeting was spent making arrangements for the apartment owners to contact students who do not yet have housing. The Hilton Coliseum will be used for housing overflow and the landlords will have an opportunity to distribute information about their vacancies at the Coliseum. Vice President Christensen noted that it is to the university's best interest to make sure students find housing.

Regent Shaw did not think it mattered what kind of funds were involved in the proposal. The board has the kind of responsibilities in regard to housing funds as it does for state funds. He said the proposal could be justified no matter what funds were used. He thought the arrangement would work out all right and that there would not be a draining of residence funds as a result of it.

Vice President Christensen said the university expected the venture to stand on its own. He noted that, as in any venture, there is always a possibility of error in judgment.

Regent Neu asked what kind of responsibility the board and institution would have to the landowners for damages done by the students living in the apartment complex. Vice President Christensen said that normal wear would be the responsibility of the owner, as is the case in any type of lease. Responsibility for other damage and breakage will be the responsibility of the tenants and this will be administered by the residence department. Mr. Henry noted that the lessor has made provision for
casualty and liability insurance. Individual property will be the responsibility of the tenant.

Regent Bailey wondered if there were any figures available about the change of percentage of students in the total enrollment that the university has been housing. He said if there is no shift in space from a percentage standpoint, it would be pertinent to point this out. He noted that if buildings were erected to keep this percentage the same, these would become a permanent and constant competition. The temporary arrangement will result in a one year competition with the private housing at most.

Vice President Christensen said these points were made to the landlords. He also pointed out the university has not built any new married student housing for seven years or any single student housing for ten year. By renting for one year the university is not developing permanent housing, and Vice President Christensen said the landlords do appreciate this fact.

President Petersen noted that a public policy has been established that certain portions of Pammel Court will be demolished and those units will be removed from the market. Vice President Christensen said it was possible that Pammel Court might be replaced with new facilities. This would depend on housing costs, enrollment, etc. in the future.

Regent Shaw said he thought more was being done on the part of the universities to act as clearing houses. He noted that some universities or colleges compile lists of housing vacancies and sale those lists to students at a modest price in order to recover administrative costs. He thought this would be a good way of developing relationships with the landlords.

Vice President Christensen indicated that the residence department maintains a listing service which is available to landlords to list their vacancies. Student government has a tenant service operating out of the Union which provides a listing of service. He noted that access to the students in the Hilton Coliseum was being provided to the landlords so they could have one-on-one contract with the students.

President Petersen asked about the relationship between the university and the limited partnership. Mr. Henry indicated that it was determined the most ideal way to look for housing was to meet with the partnership and ask them to certify there was no state employee involved with an interest exceeding 10% in the partnership. This was done.

Vice President Moore noted that consultation with the Attorney General has already taken place on the proposed lease. Mr. Sonnenschein indicated that the Attorney General's Office did not find any legal problems with the lease.
MOTION: Mr. Brownlee moved that the board approve a one-year lease for the Oakwood Apartments from the Oakwood Limited Partnership, 137 Linn Avenue, Ames, Iowa, in the amount of $280,000. Mr. Neu seconded the motion. Upon the roll being called, the following voted:

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

NAY: None

ABSENT: None

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

It was recommended that the board ratify the following construction contracts awarded by the executive secretary:

Library Addition - Phase I
Award to:
General: Story Construction Co., Ames, Iowa $4,658,000.00
Mechanical: Sweeney-Manning-Seivert, Granger, Iowa $651,800.00
Electrical: Meisner Electric, Inc., Newton, Iowa $549,900.00
Fire Protection: Midwest Sprinkler, Des Moines, Iowa $119,700.00
Air Balancing: Systems Management and Balancing, Inc., Des Moines, Iowa $9,890.00

Utilities - Turbine Generator #5 - Divisions 1 and 2 - Structural and Mechanical
Award to: Baker Mechanical Inc., Des Moines, Iowa $53,500.00

This line item was budgeted at $110,000 and is substantially within budget. This means the repairs can be carried out within the budgeted amount of $600,000.

Beef Nutrition Farm - Office and Laboratory Reconstruction
Award to: Snider-Strahn Builders, Inc., Gilbert, Iowa $45,000.00

This project was funded by an Executive Council resolution because of fire damage in the amount of $80,688. It appears this amount will be sufficient to fund the total project. The project budget for this portion of the work totals $66,400, leaving $14,288 maximum for contents loss, temporary utilities, and weather protection.
The board was asked to approve the following new project:

**McNay Research Center - Garage**
**Source of Funds:** College of Agriculture - Special Research and Development $4,850.00

The board was asked to ratify the following architectural/engineering services contracts.

**North Campus Storm Sewer Addition - Phase I**
Ratify selection of Ames Engineering and Testing Company, Ames, Iowa, to conduct a preliminary study on the scope, cost, and phasing of this project. Compensation is on an hourly rate schedule with total compensation not to exceed $10,200. The board received the first phase appropriation in the 1979 Session of $358,000. Of that amount, $308,000 was deauthorized until July 1, 1981. The second phase request in the amount of $600,000 was recommended for inclusion in the board's 1981-83 capital request, Program C.

**Hilton Coliseum Capital Improvements**
The university requested approval to increase the maximum payable under the contract with Brooks, Borg, and Skiles from $40,000 to $42,445.69. Additional services were authorized by the university in advance of their performance and the university recommended payment of $2,445.69 be authorized.

**Communications Building Addition**
The university requested approval to increase the maximum payable to the architects, Rudy-Lee-Dreyer, from $23,000 to $23,712.50. Additional services totaling $712.50 were requested by university staff.

**MOTION:** Mr. Brownlee moved that the board approve the Register of Capital Improvement Business Transactions for the period June 20 through August 22, 1980; ratify awards of construction contracts made by the executive secretary; approve the new project; ratify contract actions for architectural/engineering services; approve the revised budgets; and authorize the executive secretary to sign all necessary documents. Mr. Bailey seconded the motion and it passed unanimously.

President Petersen then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to Iowa State University. There were none.
The following business pertaining to the University of Northern Iowa was transacted on Thursday, August 21, 1980.

1980-81 FINAL BUDGETS. It was recommended that the final budget for the University of Northern Iowa general program operations in the amount of $39,208,000 and other budgets for a total budget for operations in the amount of $53,213,995 be approved. The total proposed budget included restricted programs; auxiliary enterprises; and revolving, stores and agency funds. The budget for the resident system operations was included in the amount of $8,290,000.

Income. The proposed budget of $39,208,000 is to be funded by $7,673,000 of institutional income and $31,535,000 of state appropriations. The institutional income includes $6,947,000 of student fees. The institution proposed no change from the preliminary budget.

Expenditures. The institution reported that salaries for faculty and institutional officials reflect an average increase of 7% as per (1) the arbitration decision reached in March 1979 between the United Faculty and the Iowa State Board of Regents for all Unit Faculty personnel and (2) Senate File 499 for all non-bargaining unit faculty and institution officials at the university.

All professional and scientific personnel are to receive a mandatory base salary increase of 5%. In addition, salary increases of an average of 2.5% are being provided based entirely on merit.

Salary increases for general service staff reflect the pay matrices approved by the board or specified with the non-professional collective bargaining agreements. Bargaining unit employees received an average across-the-board salary increase of 5.4% and those under the Regent Merit System received an increase ranging from 4.6% to 7% depending upon the salary step. Both groups of employees are eligible for merit step increases in 1980-81.

Changes in the proposed final budget from the preliminary budget occurred only in the salary and supplies and services categories. Changes from the preliminary budget include a $77,000 reduction for faculty and institutional official salaries, $68,000 increase in professional and scientific salaries, and a reduction of $38,000 in general service staff salaries. These changes included reclassification of School of Health, Physical Education, and Recreation faculty personnel to professional and scientific staff in the intercollegiate athletic program, a faculty position salary adjustment, and other budget refinements.

The supplies and services category was increased by $47,000 over the preliminary budget which was attributed to an increase in mileage reimbursement and re-allocation within the Administrative Services Division to meet cost increases for data processing supplies.
Some of the most significant changes in budgets for instructional departments for 1980-81 relative to 1979-80 included an 18.4% increase for school administration and personnel services, 11.1% increase for the speech department, 37.9% increase in the individual studies program, and 11.7% increase in minority group education. There was a reduction of 9.7% in the Philosophy and Religion Department and a 4.9% reduction in the Office of Student Field Experience. Otherwise the increases ranged from approximately 0 to 10%.

The Board Office said the changes in budgets for the various programs and instructional departments demonstrate an effort on the part of the institution to reflect changes in conditions and priorities.

Reserve and undistributed accounts have been established for various purposes and are listed below for the 1980-81 proposed budget as compared with 1978-79 budgets.

<table>
<thead>
<tr>
<th>Item</th>
<th>1979-80</th>
<th>1980-81</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undistributed-Temporary Instruction</td>
<td>$103,988</td>
<td>$ 55,728</td>
</tr>
<tr>
<td>Enrollment Increase Contingency</td>
<td>140,000</td>
<td>90,000</td>
</tr>
<tr>
<td>Miscellaneous Institutional Support</td>
<td>70,000</td>
<td>73,867</td>
</tr>
<tr>
<td>Health Insurance &amp; Sick Leave Payout</td>
<td>173,959</td>
<td>155,466</td>
</tr>
<tr>
<td>Merit System Increases</td>
<td>91,307</td>
<td>107,372</td>
</tr>
<tr>
<td>Undistributed, General</td>
<td>220,482</td>
<td>252,282</td>
</tr>
</tbody>
</table>

The reserve for undistributed-temporary instruction is to provide flexibility for meeting changes in teaching work loads. The enrollment increase contingency is established for allocation as needed when actual enrollments are known. The reserve for health insurance premiums and sick leave payout is to provide accounting that will enable drawdown of state funds. The reserve for merit system increases is to provide for salary increases for the Regents Merit System which occur throughout the fiscal year on the anniversary date of employees. Undistributed-general reserves are to provide flexibility for responding to critical situations throughout the year in case salary lapses do not materialize. Miscellaneous institutional support is for legal fees, institutional memberships, and other similar purposes. Budgeted salary savings of $516,000 amount to 1.7% of the salary budgets for 1980-81 and may be compared with $449,000 budgeted for 1979-80.

The institution projected a reduction in full-time equivalent (FTE) employees from 1,282 in 1979-80 to 1,265 in 1980-81. The institution said the reduction could be attributed primarily to reduced summer school budget, reduced contingency budgets for faculty and general services staff, and increased salary credit accounts for services to functions other than the general university. The FTE figures for 1979-80 and 1980-81 were based on guidelines developed in October 1979 by the institutions and Board Office. The FTE of 1,350 for 1978-79 is not comparable in that faculty are counted as 1.0 for a nine-month employee rather than 0.82 as according to the new guidelines.

The institutional budget book showed the following operating programs supported by restricted funds; auxiliary enterprises; and revolving, stores, and agency funds.
The estimated income of $8,290,000 for the residence system operations is to support operating expenditures of $6,913,200 and contribution to reserve funds of $1,376,800. The contribution to the reserve funds includes $290,000 of additions to the surplus fund.

The institution budgets revolving and stores funds appropriately for control purposes, but these funds duplicate in the total institutional budget figure budgets of users of these services. Agency funds are held by the institution as custodian for various university related organizations and student groups.

In view of the evident effort of the institution to adjust internal budgets to respond to operating conditions and priorities, it was recommended that the proposed operating budget for the general university in the amount of $39,208,000 and the budgets for other activities in the amount of $14,005,995 for a total of $53,213,995 be approved. The total proposed budget includes $8,290,000 for the residence system operations.

Vice President Stansbury spoke about the university plans to meet the 3.6% cutback mandated by the Governor. He said the university has anticipated this situation for some months and has made some contingency plans.

The university is anticipating a lapse of $5 million in salaries. It will reduce the supplies and services budget by approximately $131,000, the equipment budget by $190,000, the purchase of library books by $26,000, and the building repairs budget by $300,000.

Vice President Stansbury noted that the university must remain flexible. It is attempting to meet much of the reversion through salary lapses. How well this works will depend upon the economic conditions of the local area. When other industries are not hiring, the university tends not to lose employees. Vice President Stansbury said it was not far enough into the fiscal year to know the change in magnitude, if any, of the attrition rate.
He hoped the board would understand that traditionally the University of Northern Iowa has been more highly dependent on state appropriations in support of its general fund. The 3.6% cutback will have a more powerful impact for it than in some of the other institutions.

He noted that much of the budget is for salaries. Most of the faculty salaries were committed to fill positions prior to last April and the university is committed to filling a number of positions. This will reduce the flexibility in regard to attrition of employees.

Vice President Stansbury said the institution has had to tightly budget since 1968 because of student enrollment as it continues to press to meet the needs of students. The university intends to minimize as much as possible any effect of this on students and the instructional program.

Mr. Richey said that because of the warm winter last year, the institutions had money left over in the fuel and electricity accounts. He had asked the institutions to hold these funds in abeyance with the understanding they would be able to use them toward their share of the reversion. Based on the way the Governor has had to meet this economic situation, that has become moot. Mr. Richey said he has now indicated to the institutions that they may go ahead and utilize the funds for equipment, building repairs, energy conservations, and fuel inventory for fiscal year 1980-81.

Mr. Richey noted that these funds have been encumbered at the University of Northern Iowa for a computer to be delivered in October. Board members expressed no objections to this plan.

MOTION: Dr. Harris moved that the board approve the operating budget for the general university in the amount of $39,208,000 and the budgets for other activities in the amount of $14,005,995 for a total of $53,213,995 including $8,290,000 for the residence system operations. Mr. Bailey seconded the motion and it passed unanimously.

The following business pertaining to the University of Northern Iowa was transacted on Friday, August 22, 1980.

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

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

Resignation:

Dr. Alvin E. Rudisill, Professor and Head of Department of Industrial Technology, effective August 1, 1980.
Change of Status:

Dr. Ronald D. Bro, from Professor of Industrial Technology to Professor of Industrial Technology and Acting Head of the Department of Industrial Technology, effective August 20, 1980.

Dr. Grace Ann Hovet, from Associate Professor of English to Associate Professor of English and Acting Head of the Department of English Language and Literature, effective August 25, 1980.

Dr. Geraldine LaRocque, from Professor of English to Professor of English and Director of Teaching Education, effective August 21, 1980.

Dr. Gordon J. Rhum, from Professor of Education to Professor of Education and Acting Dean of the College of Education, effective July 25, 1980.

Dr. Jan C. Robbins, from Professor of English and Head of the Department of English Language and Literature to Professor of English and Acting Dean of the Graduate College, effective August 1, 1980.

Change of Title:

Mr. Thomas E. Paulson, from Director of Physical Plant to Assistant Vice-President for Facilities, effective July 1, 1980.

President Petersen expressed regret about the resignation of Dr. Rudisill and said this would be a serious loss.

MOTION: Mr. Bailey moved that the board approve the change of title, changes of status, and the resignation with regret. Mr. Neu seconded the motion and it passed unanimously.

PRINCIPLES, STANDARDS, AND PROCEDURES FOR FACULTY APPOINTMENTS, PROMOTIONS, AND TENURE. It was recommended that the board approve the proposed principles, standards, and procedures for faculty appointments, promotions, and tenure at the University of Northern Iowa.

The Board Office explained that since the board approved a policy for faculty appointments and tenure and a general policy on principles, standards, and procedures for faculty appointments and promotions, the faculty voted for collective bargaining. The proposed statement of "Principles, Standards, and Procedures for Faculty Appointments, Promotions, and Tenure" were prepared as a combination and clarification of the existing policies. It was also intended to respond to suggestions made by arbitrators and legal counsel.
A comparison of the proposed and existing policies is provided in the following pages.

The changes include:

1. Addition of references to the faculty collective bargaining agreement
2. Clarification regarding evidence of achievement
3. Clarification regarding doctorate as a terminal degree
4. Specification of limitation of six (rather than seven) probationary years
5. Specification of dates by which notice of termination must be given
6. Addition of section on tenure principles and standards
7. Rewording of departmental and academic officers' responsibilities in tenure decisions
8. Specification that an assistant professor complete at six (rather than seven) years of service before promotion to associate professor
9. Specification of requirements for promotion without a terminal degree
10. Deletion of statement of requirements for appointment at the rank of instructor
11. Deletion of section regarding faculty members who began serving probationary appointments prior to July 1, 1974
12. Deletion of description of computation of years of service
COMPARISON OF PROPOSED AND CURRENT POLICIES ON FACULTY APPOINTMENTS, PROMOTIONS AND TENURE, UNIVERSITY OF NORTHERN IOWA

Note: The proposed policy is printed in the left-hand column; comparable sections extracted from two current policies are provided in the right-hand column. Underlined portions on the left indicate additions or wording changes, crossed out portions on the right indicate deletions. The addition or deletion of an entire section is indicated by the absence of a comparable statement in the adjoining column.

PROPOSED, AUGUST 1980

PRINCIPLES, STANDARDS, AND PROCEDURES FOR FACULTY APPOINTMENTS, PROMOTIONS AND TENURE

I. PRINCIPLES, STANDARDS, AND PROCEDURES FOR FACULTY APPOINTMENTS

A. General terms and conditions of appointments shall be stated in writing. In addition to the letter of offer, all appointments are governed by relevant policies as stated in the Policies and Procedures Manual and any applicable sections of a faculty collective bargaining agreement.

B. Evaluation of an individual with respect to appointment to the faculty is made without reference to race, sex, creed, age or any criteria prohibited by law.

C. For all appointments to the faculty, the primary standard is that the candidate to be appointed is, insofar as can be determined, the candidate best qualified for the position among those available for it.

D. It is expected that faculty members will have, at the time of appointment or within a reasonable period thereafter, the terminal degree appropriate to their disciplines and positions, except as noted in paragraph (E). Specifically:

1. For initial appointment at the rank of assistant professor, candidates will normally possess the appropriate terminal degree and will show experience of or strong potential for excellence in teaching, productive scholarship, and professional service.

COMPARABLE SECTIONS FROM CURRENT POLICIES:

APPOINTMENTS AND TENURE, GENERAL STANDARDS GOVERNING
(Board of Regents, April 1976)

APPOINTMENTS AND PROMOTIONS, FACULTY--PRINCIPLES, STANDARDS, AND PROCEDURES
(Board of Regents, July 1977)

Appointments and promotions in rank are viewed in relation to an individual's potential and actual contributions to the fulfillment by the university of its functions as defined by law.

The terms and conditions of every appointment shall be stated in writing. Both the university and the appointee should be in possession of this statement before the appointee assumes his (her) position.

Evaluation of an individual with respect to appointment to the faculty or promotion in rank is made without reference to race, sex, creed, age, or other criteria prohibited by law.

For all appointments to the faculty, the primary standard is that the candidate to be appointed is, insofar as can be determined, the candidate best qualified for the position among those available for it.

It is expected that faculty members will have, at the time of appointment or within a reasonable period thereafter, the terminal degree appropriate to their discipline and position except as noted in paragraph (C). Specifically:

For appointment at the rank of instructor, candidates normally will have the master's degree and at least one year's further graduate study leading towards the appropriate terminal degree. Candidates will show a strong potential for excellence in teaching, productive scholarship, and professional service.

For initial appointment at the rank of assistant professor, candidates will normally possess the appropriate terminal degree, and will show experience of or strong potential for excellence in teaching, productive scholarship, and professional service.
For initial appointment at the rank of associate professor or professor, candidates will have the appropriate terminal degree and will have substantial experience demonstrating excellent teaching, productive scholarship, and professional service. Initial appointments at the senior ranks are based on the same criteria as promotion to those ranks.

Although in most academic disciplines and for most faculty positions the appropriate terminal degree is the doctorate, the university recognizes that in some disciplines and for some positions other degrees are customarily regarded as the highest normally appropriate to scholars in those areas. The university also recognizes that in exceptional instances there can be experience and/or training other than formal degree work that qualify a faculty member or candidate as teacher and scholar as effectively as a formal degree program. Such instances will be based on a considerable record of achievement, such as a substantial record of published research in professional journals. For those disciplines or positions where the appropriate terminal degree is normally not the doctorate, the degree requirement, if any, will be stated in established policies initiated by the department affected and agreed to by the college dean and the vice-president and provost. In the absence of any established policy to the contrary, the terminal degree for all disciplines and positions is the doctorate.

TEMPORARY APPOINTMENTS

A. A temporary appointment runs for a precisely stipulated short term, usually one year or less. It terminates automatically at the expiration of the stipulated term. It carries no implications of renewal or continuation beyond the stipulated term.

B. A temporary appointment may be terminated during the given year only for a good cause and only in accordance with the requirements of due process as approved by the Board of Regents, June 30, 1973, and any applicable sections of a collective bargaining agreement.

PROBATIONARY APPOINTMENTS

A. A probationary appointment, like a temporary appointment, runs for a stipulated short term, usually one year. Unlike a temporary appointment, however, it carries the implication that, if the appointee's services are judged by the university to be satisfactory, the appointment will be renewed year after year until, normally, a total of five years of probationary service.

For initial appointment at the rank of associate professor or professor, candidates will have the appropriate terminal degree and will have substantial experience demonstrating excellent teaching, productive scholarship, and professional service. Initial appointments at the senior ranks are based on the same criteria as promotion to those ranks.

Although in most academic disciplines and for most faculty positions, the appropriate terminal degree is the doctorate, the university recognizes that in some disciplines and for some positions, other degrees are customarily regarded as the highest normally appropriate to scholars in those areas. The university also recognizes that in exceptional instances there can be experience and/or training other than formal degree work which qualify a faculty member or candidate as teacher and scholar as effectively as a formal degree program. Such instances will normally be based on a considerable record of achievement. For those disciplines or positions where the appropriate terminal degree is normally not the doctorate, the degree requirement, if any, will be stated in established policies initiated by the department affected and agreed to by the college dean and the vice-president and provost.

A temporary appointment runs for a precisely stipulated short term, usually one year or less. It terminates automatically at the expiration of the stipulated term. It carries no implications of renewal or continuation beyond the stipulated term.

A temporary appointment may be terminated during the stipulated term, but only for a good cause and only in accordance with the requirements of due process as approved by the Board of Regents, June 30, 1973.

A probationary appointment, like a temporary appointment, runs for a stipulated short term, usually one year. Unlike a temporary appointment, however, it carries the implication that, if the appointee's services are judged by the university to be satisfactory, the appointment will be renewed year after year until, normally, a total of five years of probationary service.
shall have been accumulated; however, the university may offer reappointment for a sixth probationary year. The tenure standards for the sixth year will be the same as during the fifth year.

B. A probationary appointment may be terminated at the end of any term, provided that written notice of the intention to terminate has been given by the university to the probationer in good time. Specifically: if the appointment is to be terminated at the end of the first year, notice shall be given by March 1; if at the end of the second year, by December 15; if at the end of any later probationary year, twelve months in advance.

C. A probationary appointment may be terminated during the term, but only for good cause and only in accordance with the requirements of due process as approved by the Board of Regents, June 30, 1973, and any applicable sections of a collective bargaining agreement.

D. The probationary period provides the opportunity to meet the requirements for tenure.

E. By March 1 of every year, every faculty member on a probationary appointment shall receive official written evaluation of his/her work to date.

II. TENURE PRINCIPLES, STANDARDS, AND PROCEDURES

A tenure decision is a crucial judgment that vitally affects the university, its faculty, its students, and its supporting A probationary appointment may be terminated at the end of any term, provided that written notice of the intention to terminate has been given by the university to the probationer in good time, specifically: if the appointment is to be terminated at the end of the first year, notice shall be given three months in advance of the date of termination; if at the end of the second year, six months in advance; if at the end of any later probationary year, twelve months in advance.

A probationary appointment may be terminated during the term, but only for good cause and only in accordance with the requirements of due process as approved by the Board of Regents, June 30, 1973.

Provided he or she shall have served in a probationary appointment for more than two years, the appointee shall, before the expiration of his/her last probationary year, be offered either a continuing (i.e., a tenured) appointment or a terminal appointment of one year.

No later than two months before the end of the spring semester of every year, every faculty member on a probationary appointment shall receive official written evaluation of his (her) work to date.

For any faculty member who began serving a probationary appointment prior to July 1, 1974, and who is still on probation on that date, the normal probationary period remains three years, unless, as permitted by previous regulations, that period has been extended by written agreement between the faculty member and the university. Any faculty member who falls within this classification may request, in writing, that he (she) be placed on the five-year probationary program, and the university shall honor his (her) request.
public. Of necessity, it is a subjective judgment about potential performance based on a current evaluation.

No person, by time, degree, or accomplishment, ever acquires any automatic right to tenure.

In the usual situation, tenure will be granted only when all of the following standards have been met:

A. Actual past performance strongly suggests that future performance will conform to applicable university standards.

B. The person has the doctorate or other comparable terminal degree as specified in established policies initiated by the department affected and agreed to by the college dean and the vice-president and provost. This requirement may be met by alternate achievements or exceptional cases of extraordinary professional achievement, or may be waived in cases of critical shortages of faculty in a particular field. The possession of the appropriate terminal degree, normally the doctorate, is a minimal standard for scholarship-research since this is the conventional professional preparation for scholarship and research.

In unusual cases a tenure candidate may have acquired such a level of methodological proficiency by extraordinary means, but a grant of tenure requires tangible evidence of scholarly productivity. This evidence must consist not only of the productivity comparable to a doctoral thesis, but also the productivity beyond that level that would be expected of a tenure candidate who had completed the required terminal degree. This would mean productive involvement in the discipline such as is customarily expressed by periodic publication in professional journals, presentation to professional meetings, public artistic exhibitions and performances, workshops in curriculum and pedagogy (for faculty in those disciplines), and the like.

C. The person has demonstrated, during the probationary period, the ability to apply the doctorate or other comparable terminal degree-level of training to teaching, research, and public professional service.

D. The candidate has a record of excellence in teaching, research and scholarship, and public professional service. While it is recognized that each tenure candidate will have varying degrees of accomplishment in the three roles, a satisfactory minimum level of achievement in all three
areas is required. An unacceptably weak performance in teaching or research will preclude tenure and cannot be overcome by outstanding performance in either of the other two.

Quality of scholarship, ceteris paribus, is more important than quantity.

The primary phase of determining the quality of scholarly production should be professional peer review, although the final campus responsibility for that judgment rests with appropriate academic officers.

E. A grant of tenure prior to the expiration of the normal probationary service will be made only in exceptional cases.

F. Normally, a tenured appointment is made only upon recommendation by the appropriate departmental faculty; however, the final campus responsibility for the decision rests with the appropriate academic officers.

G. A tenured appointment can be terminated only for good cause and only in accordance with the requirements of due process as approved by the Board of Regents, June 30, 1973, and any applicable sections of a collective bargaining agreement.

H. The college deans and the vice-president and provost have a responsibility for ensuring that recommendations for tenure are based on criteria uniform throughout the university and conforming to university policy.

It should be understood that a grant of tenure prior to the expiration of the normal probationary service will be made only in exceptional cases.

Every initial appointment to the faculty of the university is either temporary or probationary. For those appointees whose experience demonstrates clearly a record of excellent teaching, productive scholarship and professional service, tenure may be granted immediately after or shortly after appointment. Normally, this will apply only to appointments at the senior ranks.

For all appointments and promotions in rank, the primary responsibility for assessment and recommendation rests with the departmental faculty, although decisions to promote, to award tenure or to reappoint a faculty member on probationary appointment are the responsibility of academic officers.

Determination of the appointment status of a faculty member, including the exceptions authorized in paragraphs 8 and 11 above, shall be with the participation of the appropriate departmental faculty.

Except in extraordinary instances, a continuing (i.e., a tenured) appointment is made only upon recommendation by the appropriate department.

A continuing appointment can be terminated only for good cause and only in accordance with the requirements of due process as approved by the Board of Regents, June 30, 1973.
III. PRINCIPLES, STANDARDS, AND PROCEDURES FOR FACULTY PROMOTIONS

A. The general standards for awarding promotion in rank are:

1. Excellence in teaching, the primary criterion, which refers to the ability to guide and inspire students in a way which extends beyond mere popularity with students.

2. Excellence in scholarship, which refers to activities in scholarly research and in artistic creativity. Evidence of a faculty member's expertise, such as publications, works of art, and artistic performances, are evaluated in terms of quality rather than quantity of production alone.

3. Excellence in professional service. Public professional service, as evidenced by service outside the university, is primary, but service within the university, such as leadership in academic and other university affairs or successful performance of administrative or quasi-administrative functions, will also be considered. Professional service is evaluated on the basis of its creativity, productivity, and value, and not on quantity alone.

4. While it is recognized that each candidate for promotion will have varying degrees of accomplishment in the three areas, a satisfactory minimum level of achievement in all three areas is required. An unacceptably weak performance in teaching or research cannot be overcome by excellence in the service category.

B. In considering an individual for promotion, attention is given to all available information, such as: evidence of successful teaching; quality of research and professional publications; artistic productivity; the esteem in which the faculty member is held by students, colleagues, and administrative officers; professional growth; participation in university activities and contributions to the general welfare of the university.

1. The primary assessment of the candidate for promotion is made by his/her colleagues in his/her department, through established assessment procedures, in accordance with applicable sections of a collective bargaining agreement, although the decision to promote is the responsibility of academic officers.

2. The assessment will not only include a scrutiny of the candidate's record, but also calls for one or more formal assessments by the candidate's students and classroom visitation by colleagues.
3. Departments may seek evaluations of a candidate from colleagues in his/her academic field in other institutions.

C. Promotions in rank are not awarded on the basis of years of service or experience, but as a recognition of professional growth and development. Nevertheless, normally an instructor serves at least three years in rank before promotion to assistant professor; an assistant professor completes at least six years of service, including at least three years as an assistant professor, before promotion to associate professor; and an associate professor completes at least six years in rank before promotion to professor.

Faculty members who demonstrate exceptional growth in teaching, scholarship, and professional service may be considered for promotion before the completion of the years of service specified above.

D. For all promotions, the candidate for promotion is expected to hold the appropriate terminal degree. A candidate for promotion without such a degree must have a record of tangible scholarly achievement that would be comparable to that expected of a candidate with the degree, in addition to research productivity of the caliber required for such a degree.

E. Evaluation of an individual with respect to promotion in rank is made without reference to race, sex, creed, age, or other criteria prohibited by law.

F. The college deans and the vice-president and provost have a responsibility for ensuring that recommendations for promotion are based on criteria uniform throughout the entire university and conforming to university policy.

Departments may seek evaluations of a candidate from colleagues in his (her) academic field in other institutions.

Promotions in rank are not awarded on the basis of years of service or experience, but as a recognition of professional growth and development.

Although promotions in rank are not awarded simply for years of service, normally an instructor serves at least three years in rank before promotion to assistant professor; an assistant professor completes at least seven years of service, including at least three years as an assistant professor, before promotion to associate professor; and an associate professor completes at least six years in rank before promotion to professor.

Faculty members who demonstrate exceptional growth in teaching, scholarship and professional service may be considered for promotion before the completion of the years of service specified above.

For all promotions, the candidate for promotion normally is expected to hold the appropriate terminal degree.

Evaluation of an individual with respect to appointment to the faculty, or promotion in rank is made without reference to race, sex, creed, age, or other criteria prohibited by law.

The college deans and the vice-president and provost have a responsibility for ensuring that recommendations for promotion are based on criteria uniform throughout the entire university and conforming to university policy.

Normally, service refers to years of full-time teaching and/or research at this university or at other institutions of higher education.

a. For those positions where public school teaching is desirable for the proper fulfillment of the duties of the position, years of teaching in the public schools may be counted in full or in part as service, as the department affected may determine in agreement with the appropriate college dean and vice-president and provost.

b. For positions where it may be appropriate, experience other than teaching and/or research may be included in years of
service, as determined by the department affected in agreement with the appropriate college dean and vice-president and provost.

c. For all faculty, the years of service accepted by the university will be specified in the initial letter of appointment, or in writing upon completion of the experience when it occurs after the initial appointment.

In calculating an appointee's years of probationary service, the university may give credit for as much as five years for the appointee's years of full-time service at other institutions of learning.
The Board Office suggested further clarification might be provided in the section on probationary appointments by indicating whether termination "at the end of any term" or "during the term" refers to the term of appointment or to an academic term. The Board Office also said that in the section on probationary appointment, the university may wish to add a statement regarding the appropriate times for notice of termination for persons whose appointments do not coincide with the academic year.

Vice President Martin said a review of the policy took place because of three influences: 1) an arbitrator in a grievance case recommended it be written more clearly to make it less ambiguous; 2) the president accepted this advice and urged review; and 3) the university's own legal counsel and the United Faculty suggested it should be revised to be more appropriate for collective bargaining.

Vice President Martin noted that originally the policy was written by an academic committee in academic language.

The process of review started late in the spring. There was consultation with department heads and some individual faculty. As a courtesy, a copy of a draft of the revised policy was given to the union and the union was asked if it had any comments on it. Vice President Martin said the university's counsel, Mr. Flynn, also reviewed the revised policy and found it satisfactory.

In regard to the Board Office suggestion about clarification of the use of "at the end of any term" or during the term", Vice President Martin said this would mean the academic year unless specified otherwise in the letter of offer. He said this language has been used for a long time and there have been no problems with anyone as to the meaning. In answer to a question from President Petersen, he said there would be no problem in adding this explanation to the policy.

MOTION: Mr. Bailey moved that the board approve the proposed principles, standards, and procedures for faculty appointments, promotions, and tenure at the University of Northern Iowa. Dr. Harris seconded the motion and it passed unanimously.
RENAMEING OF ARTS AND INDUSTRIES BUILDING. The board was to approve renaming the Arts and Industries Building Latham Hall in honor of the third president of the university, O. R. Latham, and to remove President Latham's name from a former stadium site.

The university said that for some years the name of O. R. Latham was associated with the athletic stadium. Since the building of the University of Northern Iowa-Dome, only occasional use is made of O. R. Latham field.

The university noted that all previous presidents of the university are memorialized by campus buildings named for them and it would be fitting to so remember President Latham. The Arts and Industries Building was planned during Mr. Latham's presidency. The executive heads of the areas housed in the building endorsed the renaming, as did the President's Cabinet.

MOTION: Mr. Wenstrand moved that the board approve renaming Arts and Industries Building Latham Hall in honor of the third president of the university, O. R. Latham, and to remove President Latham's name from the former stadium site. Mr. Bailey seconded the motion and it passed unanimously.

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

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

The board was asked to ratify executive secretary award of a purchase order to Backman Sheet Metal Works, Inc., West Des Moines, Iowa, in the amount of $44,000 to make repairs to emission control equipment on the Coal-Fired Boiler Power Plant #2.

This spring when the bag house emission control equipment on the coal-fired boiler was going through startup procedures, extensive damage occurred to the bag house. The university has attempted to determine liability and responsibility for this accident. That question is still unresolved. The university determined an urgent and emergency need to make repairs to this system so that the bag house can be used during full load conditions which will occur this fall. Payment to Backman will be on a time-and-material basis and it is expected to take until October to complete this work. Until liability is determined, repair will be funded from the Coal-Fired Boiler Replacement and Auxiliaries project budget. The university noted it is currently in the process of designing/installing a control mechanism which will preclude a similar accident from happening again during normal operational startups.

The board was asked to approve the following new project:

Family Housing - Laundromat Building Addition
Source of Funds: Residence System Surplus Fund $139,000.00
The board was also requested to ratify selection of Stenson, Warm, Grimes, and Port, Architects, Waterloo, Iowa, to provide design services on this project on an hourly rate basis to a maximum of $6,800. This is 6.5% of the estimated $104,000 construction cost. The firm designed the central services building to which the laundromat building addition will connect.

The board was asked to ratify architectural/engineering services awards:

West Campus Playfield - Driving Range
Ratify selection of Craig Ritland, Landscape Architect, and payment to this firm for additional services rendered of $151.25. The university explained that these additional services were caused by meetings over and beyond those contracted with this firm in the original agreement. The Board Office recommended that the additional services be paid.

Corrosion Protection Study Relating to Underground Steam Lines
Ratify selection of the Hinchman Company, Detroit, Michigan, in the amount of $4,750. The study is intended to enable the university to determine the required work to retard corrosion of the piping systems and then budget for these corrections.

MOTION: Mr. Wenstrand moved that the board approve the Register of Capital Improvement Business Transactions for the period June 10 through August 6, 1980; ratify award of purchase order made by the executive secretary; approve the new project; ratify award of consultant contracts and approve the additional payment; and authorize the executive secretary to sign all necessary documents. Mr. Bailey seconded the motion and it passed unanimously.

RATIFICATION OF STUDENT TEACHING CONTRACTS FOR 1979-80. It was recommended that the board ratify the 1979-80 student teaching contracts.

The Board Office noted that after board approval of student teaching contract forms, the executive secretary is authorized to execute any agreements that meet the criteria established by the board. The Board Office recommended that the 1979-80 student teaching contracts for the University of Northern Iowa be approved.

MOTION: Mr. Bailey moved that the board ratify the 1979-80 student teaching contracts for the University of Northern Iowa. Mr. Shaw seconded the motion and it passed unanimously.

President Petersen then asked board members and institutional executives if there were other matters to be raised for discussion pertaining to the University of Northern Iowa. There were none.
The following business pertaining to the Iowa School for the Deaf was transacted on Thursday, August 21-22, 1980.

DETAIL OPERATING BUDGET FOR 1980-81. It was recommended that the detail general fund budget in the amount of $3,985,484 submitted and approved by the executive secretary in July 1980 be affirmed by the board.

The Board Office noted that preliminary approval was given for the operating budget proposal in June 1980, subject to final approval in July and affirmation in August 1980.

Income. The proposed detail budget of $3,985,484 general funds is to be supported by $3,822,484 from state appropriations and $163,000 for institutional income. This compares to $3,550,027 in budgeted appropriations and $194,000 in budgeted institutional income in 1979-80. The reduction in estimated institutional income for 1980-81 was the result of several nonrecurring income items last year. Institutional income will be monitored carefully this year to determine whether a budget ceiling change will be required.

Institutional income sources are: investment interest, indirect cost recoveries from federal funds, and miscellaneous sales and services. The reduced income estimate derived from miscellaneous sales including grain crops.

There were no changes in general fund income estimated from the preliminary budget.

In addition to general funds, the school estimated $176,525 in restricted funds to support operations through Title I (Elementary and Secondary Education Act) funding.

Expenditures. There are no proposed changes in either total expense or categories of expense from that approved in the preliminary budget, or $3,985,484.

Total proposed expenditures from the general fund for 1980-81 compared to 1979-80 show a 6.4% increase. If 1979-80 non-recurring institutional income is removed from the comparison, the increase is 7.4%.

Budgeted salary savings for 1980-81 are $26,310, compared to $28,000 in 1979-80. The 1980-81 salary savings budget is 0.8% of salaries and wages compared to 1.0% in 1979-80.

There were some changes in the distribution of planned expense compared to 1979-80. A basic shift toward supplies and services included: shared costs of a federal supported program in cooperation with Iowa Western Community College, a reallocation of laundry service costs from salaries and wages for contractual services with the Glenwood State Hospital School, and the reallocation of general funds to support costs for the Child Study Center, formerly operating with restricted Title I funds. Building repair support in 1979-80 was enhanced with temporary increases of institutional income.
There were some changes in the pattern of planned expenditures by program. An increase in institutional support program, or institutional administration, was traced to two items: all equipment funding is now budgeted to this program with subsequent allocations to be made during the year to other programs and an increase level of supplies and services support, compared to the previously year. The latter circumstance was attributed to economic uncertainties and a perceived need by the school to maintain an added degree of flexibility as the budget year begins. The Board Office received allocation plans for this increased supplies and services funding.

Staffing. Over the previous two years and for the current year Iowa School for the Deaf reported 199, 179, and 163 full-time equivalent (FTE) positions, respectively. Most reported staffing change resulted from changes in the definition of a staff FTE. In 1980-81, all staff at the school, including hourly, has been converted to an equivalent of an 11- or 12-month work year. Thus, a review of the internal operating budget book shows 9-month faculty as .82 FTE. Professional and scientific, as well as general service staff FTE, are all defined as some portion of 2,080 hour work year. Real staffing changes for 1980-81 are as follows:

- Reduction of 1.5 teaching positions after transfers in from Title I program;
- Transfer of one position from instruction to student services for recreation and activities;
- Addition of one general fund position in instructional support to accommodate transfer of the Child Study Center Director from Title I (restricted) funds;
- Reduction of four positions in student services to reflect declining enrollment and the shift to contractual services with the Glenwood State Hospital School for laundry services formerly provided by ISD staff.

Overall, the school budgeted for 66.0 faculty and institutional official positions, 11.5 professional and scientific positions, and 85.7 general services staff positions, for a total of 163.2 FTE for FY 1980-81.

The total estimated general and restricted fund budgets for 1980-81 amount to $4,162,009. The Board Office recommended that the general fund operating budget of $3,985,484 be affirmed as approved by the executive secretary in July.

Superintendent Giangreco spoke about the school's plan to meet the 3.6% cutback mandated by the Governor. Iowa School for the Deaf's share of this is $138,000. The reversion will be accomplished by reducing the supplies budget by $76,000, the building repairs budget by $34,721, and the general service staff budget by $26,899. The savings in the general service staff budget will be possible because of unfilled vacant positions. The positions are in the kitchen, in recreation, and in custodial areas. Superintendent Giangreco said the school worked hard to trim around the educational program and tried to keep that program intact.
MOTION: Mr. Brownlee moved that the board affirm the
detail general fund budget in the amount of $3,985,484
as approved by the executive secretary in July
1980. Mr. Wenstrand seconded the motion and it
passed unanimously.

1980-81 FINAL TITLE I BUDGET. It was recommended that the Title I line
item and program budgets in the amount of $176,525 be approved, contingent
upon confirmation by the Department of Public Instruction.

Iowa School for the Deaf received Title I funding under the Elementary-
Secondary Education Act for the 1980-80 period. The proposed budget for
this year is $176,525. In 1979-80 the actual budget was $191,417; in
1978-79 it was $236,814; and in 1977-78 it was $207,237. Over a period of
four years this support has declined 17%. This is partly the result of
decreasing enrollments and partly the result of reduced federal funding overall.

The following table summarizes expense by expense category:

<table>
<thead>
<tr>
<th>Expense Category</th>
<th>1979-80 Budgeted</th>
<th>1980-81 Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$161,673</td>
<td>$126,607</td>
</tr>
<tr>
<td>All Other Expense</td>
<td>$29,744</td>
<td>$49,918</td>
</tr>
<tr>
<td>Total</td>
<td>$191,417</td>
<td>$176,525</td>
</tr>
</tbody>
</table>

There have been a number of changes relating to personnel costs. A director
of child study and teacher of business were transferred to the general
fund budget. A teacher of resources for the visually impaired was trans-
ferred to the general fund budget while a reading consultant and two class-
room aid positions were abolished. The reading consultant position was
considered a one-year position for a special project which is completed.
The classroom aides were no longer necessary in terms of the existing work-
load.

The general expense pattern of the Title I program had two significant
changes from the previous year's expense plan. First, the new summer
teach travel team program added almost $12,000 to general expenses. Additional
transportation costs related to the revised program direction and equipment
added another $6,000 to general expense.

The proposed budget for Title I funds in fiscal 1980-81 was composed of
four basic programs which have taken different directions and resulted
in transfers of some activity to the general fund and abolition of other
supporting services and positions. The following table summarizes by program
the cost elements for the two years in the current biennium.
There was a major shift in resources to a new instructional program described as Career Orientation and Skills Training. It is designed to supply students with practical experience in independent living and work skills. One of the primary purposes of Title I funds is to test new programs or program elements to determine their applicability to the general program of the institution. Thus, new program thrusts are the norm.

In the program area academic support, there was a shift from houseparent and junior parent workshops to summer travel teams and sophomore parent workshops. The summer travel team allows for follow-up on students recently graduated to identify their career placement. The sophomore parent workshop is designed to provide services to parents of sophomore students as the students enter the final phase of their secondary education.

Student services has a major focus of dormitory counseling, physical therapy, and houseparent workshops. The latter provides in-service training on proper procedures for houseparents in conducting their responsibilities.

Institutional support programs remain for the identification of indirect cost reimbursement to the institution for its indirect costs in maintaining the Title I program.

In 1979-80 the program supported 8.5 staff full-time equivalents (FTE). All were described as faculty or instruction-related positions. In the proposed expenditure plan for 1980-81, the reduced level of funding for Title I is expected to support 7.0 staff FTE. All are identified as faculty or instructional-related positions. The Board Office noted there has been one significant change in position responsibilities. The curriculum consultant position was redefined in terms of existing Title I responsibilities as a special program principal.

The Board Office recommended that the Title I budget proposal at Iowa School for the Deaf in the amount of $176,525 be approved, contingent upon the final approval of the Iowa Department of Public Instruction.

MOTION: Mr. Brownlee moved that the board approve the Title I budget proposal at Iowa School for the Deaf in the amount of $176,525, contingent upon the final approval of the Iowa Department of Public Instruction. Mr. Wenstrand seconded the motion and it passed unanimously.
REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for June and July 1980 were ratified by the board.

TENANT RENTAL RATES. It was recommended that the board approve the following rental rates for the period September 1, 1980 through June 30, 1981:

**Residences**
- Chief Engineer - $75 per month
- High School Principal and Assistant in Dormitory - $75 per month
- Business Manager - $75 per month

The rental fee includes heat and water.

**Four-plex Apartment**
- Mr. and Mrs. Dean Mitchel - $135 per month
- Mr. and Mrs. Mike Shannon - $135 per month
- Mr. and Mrs. John Woods - $135 per month
- Mrs. Ruth Hestness - $125 per month

The Board Office noted that in addition to the above residences, the campus has a dormitory apartment rented to the Dean of Primary Hall and several dormitory rooms available to student teachers as needed. There is also an off-campus house owned by the school and rented to the Dean of Boys. The school also rents garage space to a number of its employees.

The fiscal 1978 general audit at Iowa School for the Deaf resulted in an exception because for the four houses and four apartments for which rent is charged, there were only two leases on file. The audit report also suggested that the rental fee of $75 per month charged to house dwellers be reviewed and revised to be sure the tenants bear their fair share of the costs incurred by the school to maintain those properties and to provide other necessary services. Another point made in the audit exception was that it would be in the school's best interest to obtain written lease agreements with the lessees spelling out the responsibilities of both parties.

In response to the audit, the school agreed to annual review of all rentals and leases in cooperation with the Board of Regents. The Board Office will work with the school in determining any changes needed in rental structure and lease form for the year beginning July 1981. The school reported that Regent action on a rental rate structure for school owned space and the requirement of leases for tenants were not previously addressed because of a misunderstanding of Regent and institutional responsibility.

The school now understands that all leases with holdover clauses must also be reviewed when the holdover clause has been in operation 12 months. Thus, Regents may expect to review the ISD farm lease this fall.

The Board Office recommended that the monthly charges for campus residences, the monthly rental charges for apartments and garage rental rates be revised through June 30, 1981. It also recommended that the lease form used by the school be approved for use through June 30, 1981.
MOTION: Mr. Brownlee moved that the board approve the monthly charges for campus residences, the monthly rental charges for apartments, and garage rental rates be approved through June 30, 1981 and that the lease form used by the school be approved for use through June 30, 1981. Mr. Wenstrand seconded the motion.

Superintendent Giangreco explained that, even though the auditor thought the school was losing money, it gives the school a good feeling to have these people on the campus. In the event of an emergency they are willing to help out and are on call 24 hours a day.

Mr. Richey said that next year the lease arrangement will be formalized and spell out the terms of the arrangement in writing. The lease approved at this time involves a verbal understanding that it will be in effect as in previous year.

VOTE ON MOTION: Upon the roll being called, the following voted:
AYE: Bailey, Brownlee, Harris, Jorgensen, Neu, Shaw, Wenstrand, Petersen
NAY: None
ABSENT: None

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. There were no entries on the Register of Capital Improvement Business Transactions for June and July 1980.

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

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Thursday, August 21, 1980.

DETAIL OPERATION BUDGET FOR FY 1980-81. It was recommended that the detail general fund budget in the amount of $2,185,691 as approved by the executive secretary in July 1980 be affirmed by the board.

The Board Office noted that preliminary approval was given to the operating budget proposal in June 1980, subject to final approval in July and affirmation in August 1980.

Income. The proposed detail budget of $2,185,691 is to be supported by $2,110,691 from state appropriations and $75,000 from institutional income. Appropriations in 1979-80 were $1,956,508 while institutional income was budgeted at $85,000. The reduction in estimated institutional income for 1980-81 was from changes in collection of indirect cost reimbursement and a nonrecurring sale in part offset by some small increases in the various institutional income categories. It was noted that the institutional income estimate remained above the original appropriation calculation.

There were no changes in general fund income estimated from that reported in the preliminary budget.

Total estimated restricted fund income is $128,396 for FY 1980-81. Funding for Title I amounts to $53,472 while Deaf/Blind Program support is estimated at $74,924.

Expenditures. The school did not modify its final budget expense category pattern from that reported in the preliminary budget. Total planned expenditures of $2,185,691 equal budgeted income.

Total budget expenditures for 1980-81 compared to the final 1979-80 budget ceiling show an increase of 7.1%. If nonrecurring institutional income is removed from the comparison, the 1980-81 increase is 7.9%.

Budgeted salary savings for 1980-81 are $52,084 compared to $41,531 in 1979-80. Budgeted salary savings in 1979-80 were 2.6% of salaries and wages compared to 3.0% for 1980-81.

In the pattern of planned expenditures by standard categories, only building repairs showed a significant change between 1979-80 and 1980-81. Nonrecurring revenues in 1979-80 benefitted building repairs for the most part, and the expenditure pattern returned to a level better supported with 1980-81 levels of funding.

There were noticeable changes in program shares for academic support and physical plant.

The only material changes noted in changing program shares were that academic support for 1980-81 holds the total campus equipment allocation,
some of which is subject to allocation to other programs as the year progresses. A reallocation of a faculty position resulted in increased staffing for this program. Physical plant, which includes fuel and purchased electricity, as well as building repair funding, remained at approximately the same dollar level in 1980-81 as in 1979-80. As a result, its program share was reduced at other program funding increased.

Staffing. Substantial staffing adjustments were implemented for 1980-81. Staffing was increased by five full-time equivalent (FTE) positions for FY 1980-81, exclusive of definitional changes in staff FTE.

It was reported that 2.0 FTE faculty positions, no professional and scientific positions, and 3.4 general service positions were added to continue programs previously funded with federal Deaf/Blind Program support no longer available. An additional 3.1 positions were added from other fund reallocations and an increased level of budgeted salary savings plus the elimination of 3.5 existing positions. Future shifts in program supported at present with federal funds to the general fund are likely to require support through the appropriation request process.

Total general fund and restricted fund operating budgets for 1980-81 are estimated at $2,314,087.

The Board Office recommended that the general fund operating budget of $2,185,691 be affirmed as approved by the executive secretary.

Superintendent DeMott said that Iowa Braille and Sight Saving School would respond to the Governor's mandated 3.6% cutback through not filling vacant positions for a savings of $44,780 and a reduction in the equipment budget of $31,200. It was noted that the vacant positions were some that badly need to be filled but for which the school has been unable to recruit personnel.

MOTION: Mr. Wenstrand moved that the board affirm the detail general fund budget in the amount of $2,185,691 which was approved by the executive secretary in July 1980. Mr. Shaw seconded the motion and it passed unanimously.

1980-81 FINAL TITLE I BUDGET. It was recommended that the Title I line item and program budgets in the amount of $53,472 be approved by the board.

The Board Office noted that the institution receives Title I funding under the Elementary-Secondary Education Act. The proposed budget this year is $53,472. In 1979-80 the allocation was $55,614; in 1978-79, $62,708; and in 1977-78, $58,715. This is approximately a 10% decline in Title I funding over the last four years.

Actual dollar reductions in Title I funding from 1979-80 amounted to $2,142. Program objectives remain essentially constant. A critical loss of federal funds occurred in the Deaf/Blind Program where fund losses amounted to $55,000. Replacement of program loss through that fund reduction took place in the general fund. This may not be possible in terms of future losses.

A five-year financial plan prepared by the school reported a need for approximately $200,000 in federal fund replacement by 1984-85 with needs expressed in 1979-80 dollars. This would include phasing out of Title I.
The following table summarized program elements of Title I for the current biennium.

<table>
<thead>
<tr>
<th>Program Element</th>
<th>FY 1979-80</th>
<th>FY 1980-81</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recreation Program - Continuation</td>
<td>$9,830</td>
<td>$12,022</td>
</tr>
<tr>
<td>Educational Program - Continuation</td>
<td>32,005</td>
<td>22,127</td>
</tr>
<tr>
<td>Extended School Year - Continuation</td>
<td>10,109</td>
<td>15,362</td>
</tr>
<tr>
<td>Curriculum Development - New</td>
<td>3,670</td>
<td>-</td>
</tr>
<tr>
<td>Indirect Cost Support</td>
<td>-</td>
<td>3,961</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$55,614</strong></td>
<td><strong>$53,472</strong></td>
</tr>
</tbody>
</table>

Recreation Program. Funding of week-end activities involving all students was increased 22%, but there were no material changes in program from 1979-80.

Educational Program. Education program funding for the multiply handicapped, developmentally disabled and visually impaired students during the regular school year was reduced by 30%. There was a shift of one developmental teacher from Title I funding to general funding with no loss of program scope.

Extended School Year. The program increased from approximately 15 students to approximately 20 students. Funds allocated were increased by 52%.

Curriculum Development. There is no curriculum development project planned for 1980-81.

Indirect Cost Support. In order to support program objectives for 1979-80 the school forewent indirect cost support from federal funds in that year. This year, the prescribed percent of indirect cost support was budgeted at $3,961.

An analysis of the Title I cost center staffing pattern shows the following between 1979-80 and 1980-81:

There is a slight reduction in full-time staff equivalents;

There are four job titles reported in 1980-81 including developmental teacher, school aide, extended year teacher, and extended year aid which compares with six job descriptions for 1979-80.

The Board Office recommended that the Title I budget proposal be approved.

MOTION: Mr. Wenstrand moved that the board approve the Title I line item and program budgets in the amount of $53,472. Mr. Shaw seconded the motion and it passed unanimously.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for June and July 1980 were ratified by the board.
REVISED MINIMUM STANDARD REQUIREMENTS FOR GRADUATION. The Board Office recommended deferring discussion on this subject until September to allow appropriate response from the staff in the Department of Public Instruction.

The Board Office noted it is particularly important at this time to have the views of the Department of Public Instruction since it is in the process of conducting a review of graduate requirements in the area of special education with an internal task force. There have also been a number of recent court cases regarding graduation requirements for handicapped students and it would be helpful to have comments from persons familiar with these.

Superintendent DeMott expressed concern about the practice of having policies reviewed by the Department of Public Instruction (DPI) before they are presented for board consideration. He said there was no issue with thoroughly studying the policies and getting input on them, but he perceived that the board never responds to policy issues until an outside agency first screens them.

Superintendent DeMott said he was concerned about the traditional slippage of yet another area between the special school and the board which he sees occurring with increasing regularity. This is also a concern of the staff. He said he and the staff were not trying to be antagonistic, but were concerned about this practice.

President Petersen told Superintendent DeMott that the board appreciated his comments. She pointed out that federal law has put the board in a position of having to work very closely with the DPI and establishing a good working relationship. It has been a matter of operating procedure to be sure all bases are touched before a policy is brought to the board. She said it appears it is better to have consultation and review with DPI on a policy before it is presented to the board so the board does not find itself in the position of having approved a policy that is in conflict with the DPI.

Mr. Richey noted that the DPI has authority and the Area Education Agencies (AEAs) are heavily involved. The AEAs determined who will attend Iowa Braille and Sight Saving School. He said lateral coordination and cooperation eliminates many of the criticisms some people might have because the special schools are under the Board of Regents. Consultation with the DPI is a voluntary kind of action. The DPI does have authority to review the institution. Mr. Richey said the board should not allow another department to usurp the power of the Board of Regents and by cooperating on a voluntary basis, criticisms will be eliminated.

Regent Bailey pointed out that by consulting with the DPI, the board was complying with the law.

In answer to a comment from President Petersen, Superintendent DeMott said he was not concerned about the delay in having things presented to the board so much as about the prescreening. He noted that the role of the DPI with respect to the special schools has been quite recent. There is some feeling that the screening with regard to the special schools is very specific and there is some perception that there are inconsistencies in the amount of screening the special schools receive as compared to other schools. The school wants to make sure there is some equity.
Superintendent DeMott said that as a result of actions by individuals or groups outside the board, there is some critical public perception. There is an implication that the school is doing something less than adequate. He said questions about this are based on inaccurate information and it is difficult to provide quality service and relate to people when misinformation must be dealt with first. Superintendent DeMott said it was his perception that the school is doing a good job, but unfortunately some people must still realize this.

Regent Bailey said the board thinks the school is doing a good job. It is a good school and the State of Iowa can be proud of it. He told Superintendent DeMott that it was good he expressed his concerns.

President Petersen said that when the board reviewed the working relationships with other state agencies some time ago, it adopted a public policy of cooperation with the various other state agencies such as the DPI and AEAs. She said that a public policy of cooperation and consultation must be the overriding concern. She noted that at times it is difficult for different groups to meet and work out some of the policies. In light of the policy established by the board, said President Petersen, unless board members objected, every effort should be made for the benefit of the children involved to see that the board works in cooperation and consultation to thrash out differences and come to a meeting of minds on policy with other state agencies.

Superintendent DeMott said he strongly advocated a cooperative working relationship with all agencies. The concern he expressed was that this seems to be a one-way street. There is concern that many times there is no opportunities for participation by the school in terms of developing policies. The school does not want to have all decisions made externally and yet have them apply to the school.

President Petersen asked Superintendent Giangreco if he had had opportunity for input on the state plan. Superintendent Giangreco agreed with Superintendent DeMott. He said there seem to be two sets of standards for compliance; one for the special schools and one for other schools. He said it is not consistent and gave teacher certification as an example.

President Petersen and Mr. Richey both said this could be worked out. Mr. Richey said he had not heard Superintendent DeMott's concern about not participating in the state plan and services before.

Regent Harris asked Superintendent DeMott if he had expressed his concerns to the other educational agencies. Superintendent DeMott said the concerns were expressed in different formats and fashion. Response to them has been mixed. In terms of dialogues the concerns have been very well received. Actual changes sometimes seem sluggish. He said there have been very good interpersonal relationships with the other agencies and did not want his comments to reflect negatively on that aspect.

Discussion was deferred until a later time.
PARENTAL RIGHTS IN SPECIAL EDUCATION. It was recommended that the board approve the proposed policy for the Iowa Braille and Sight Saving School for parental rights in special education.

The Board Office said the policy was proposed in order to bring the school into compliance with Public Law 94-142, state law, and the rules of DPI. The school was found to be in noncompliance on this required standard during a recent compliance evaluation. The proposed policy was reviewed by DPI which reported the policy was well done and will bring the school into compliance. The Board Office said approval of the policy should help the school in its attempt to be in compliance with DPI rule.

Regent Bailey asked if there was money to support the policy within the budget. Superintendent DeMott said it was difficult to say what would be the budget implications of the policy.

He said the main implication of this is that it makes it appear the school has been doing something wrong or somehow has not been performing to the level required in the standards. He said this was not the case. President Petersen pointed out that this was a process of putting a standing policy into writing and having it approved.

MOTION: Dr. Harris moved that the board approve the proposed policy for the Iowa Braille and Sight Saving School for parental rights in special education. Mrs. Jorgensen seconded the motion and it passed unanimously.

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

There was a routine contract change order with Berry-Mahurin Construction on the Administrative Office Remodeling - Phase II in the amount of $1,982.04, making that total contract $94,295.04.

There was an acceptance of a completed construction project with Berry-Mahurin Construction Co. for the aforementioned project.

The board was requested to ratify selection of Shive-Hattery & Associates, Coralville, Iowa, to review alternatives with respect to a crack which appeared on the Main Building in the vicinity of the auditorium balcony. A purchase order was issued in the amount of $594.29. Evidently, the crack was due to a library book load. The problem has been resolved by relocation of the stacks.

The board was requested to ratify selection of Shive-Hattery & Associates, Iowa City, to undertake a preliminary study leading to detailed plans and specifications for correcting a gutter and eaves problem on the Main Building. A purchase order was issued for $987.53. It was anticipated that next month the board will be asked to approve a project budget to repair the eaves in the estimated amount of $17,500. The project will be funded from current Building Repair funds.
MOTION: Mr. Bailey moved that the board approve the Register of Capital Improvement Business Transactions for July and August 1980; approve the contract change order; approve the acceptance of the completed contract; ratify award of architectural/engineering contracts; and authorize the executive secretary to sign all necessary documents. Mrs. Jorgensen seconded the motion and it passed unanimously.

LEASE RENEWAL: HAPPY TIME CHILD DEVELOPMENT CENTER. It was recommended that the board approve a contract between Iowa Braille and Sight Saving School and the Happy Time Child Care Center for space at the Vinton campus for the 1980-81 school year with a fixed fee of $1,980 plus 10% of any income generated by increased enrollment, up to maximum allowable children (50).

The Board Office said the lease arrangement provides available space in the first floor of the campus cottage. The fixed fee of $1,980 is based on 27.5¢ per child daily for 1980 days. Fee payments will be quarterly, beginning September 30, 1980.

The school provides daily custodial services when the school is in operation. Utility costs are the responsibility of Iowa Braille and Sight Saving School. The child development center will be open Monday through Friday coinciding with two exceptions, with the period the Vinton schools are in session for the 1980-81 school year. The center will use the facilities with minimal utility coverage for those occasions when Iowa Braille is not in operation.

There are no facilities for cooking. However, there is a stove and refrigerator installed by the center with the understanding that its use will be for minimal food preparation rather than meal preparation. Iowa Braille and Sight Saving School will supply meals at $1 per person per meal, in addition to the fixed fee of $1,908 plus 10% of added revenue from increased child development center enrollment.

The child development center carries a policy of liability insurance which names Iowa Braille and Sight Saving School as insured and has limits of $300,000 for bodily injury, $50,000 for property damage, and $500 per person for medical payments ($10,000 per accident).

The Board Office said the lease arrangement continues to be mutually satisfactory to the center and the special school and recommended that the lease be renewed for the 1980-81 school year.

Regent Bailey asked if the cost per meal would cover expenses and said that the school should not subsidize the center. Superintendent DeMott said this is the same price charged to anyone for a meal. He said that Happy Time Child Development Center makes a contribution to the cost of food through their qualification for a federal food subsidy.
MOTION: Mr. Bailey moved that the board approve the contract between Iowa Braille and Sight Saving School and the Happy Time Child Care Center for space at the Vinton Campus for the 1980-81 school year with a fixed fee of $1,980 plus 10% of any income generated by increased enrollment, up to maximum allowable children (50). Mr. Neu seconded the motion. Upon a roll call, the following voted:

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

NAY: None

ABSENT: None

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

The meeting of the State Board of Regents adjourned at 4:50 p.m., Friday, August 22, 1980.

R. Wayne Richey, Executive Secretary