

The State Board of Regents met at Iowa State University, Ames, Iowa, on Thursday and Friday, February 17-18, 1977. Those present were:

	<u>February 17</u>	<u>February 18</u>
Members of State Board of Regents:		
Mrs. Petersen, President	All Sessions	All Sessions
Mr. Bailey	All Sessions	All Sessions
Mr. Baldrige	All Sessions	All Sessions
Mr. Barber	All Sessions	All Sessions
Mr. Brownlee	All Sessions	Exc. 12:30 p.m.
Mrs. Collison	All Sessions	All Sessions
Mr. Shaw	All Sessions	All Sessions
Mr. Slife	All Sessions	All Sessions
Mr. Zumbach	All Sessions	All Sessions
Office of State Board of Regents:		
Executive Secretary Richey	All Sessions	All Sessions
Mr. Barak	All Sessions	Absent
Mr. De Nio	Arr. 1:45 p.m.	Absent
Mr. Grant	Arr. 1:45 p.m.	Absent
Mr. McMurray	Arr. 11:20 a.m.	All Sessions
Mrs. Mininger	All Sessions	All Sessions
Mr. Wolf	Absent	All Sessions
Pauline K. Van Ryswyk, Secretary	All Sessions	All Sessions
State University of Iowa:		
President Boyd	All Sessions	Exc. 12:30 p.m.
Vice President Brodbeck	All Sessions	Exc. 12:30 p.m.
Vice President Jennings	All Sessions	Exc. 12:30 p.m.
Assistant Vice President Small	All Sessions	Exc. 12:30 p.m.
Director Tobin	All Sessions	Exc. 12:30 p.m.
Iowa State University:		
President Parks	All Sessions	All Sessions
Vice President Christensen	All Sessions	All Sessions
Vice President Hamilton	All Sessions	All Sessions
Assistant Vice President Madden	All Sessions	All Sessions
University of Northern Iowa:		
President Kamerick	All Sessions	Exc. 2:00 p.m.
Provost Martin	All Sessions	Exc. 2:00 p.m.
Vice President Hansmeier	All Sessions	Exc. 2:00 p.m.
Vice President Stansbury	All Sessions	Exc. 2:00 p.m.
Director Kelly	All Sessions	Exc. 2:00 p.m.
Iowa School for the Deaf:		
Superintendent Giangreco	All Sessions	Exc. 1:30 p.m.
Business Manager Kuehnhold	All Sessions	Exc. 1:30 p.m.
Iowa Braille and Sight Saving School:		
Superintendent Woodcock	All Sessions	Exc. 1:30 p.m.
Business Manager Berry	All Sessions	Exc. 1:30 p.m.

GENERAL

The following business pertaining to general or miscellaneous items was transacted on Thursday, February 17, 1977.

APPROVAL OF MINUTES OF THE JANUARY 13-14, 1977 MEETING. The minutes of the State Board of Regents meeting held January 13-14, 1977 were approved as corrected.

COMMITTEE ON EDUCATIONAL COORDINATION. There were no items presented the board by the Committee on Educational Coordination.

MEETING OF IOWA COORDINATING COUNCIL FOR POST HIGH SCHOOL EDUCATION. The board was presented a summary of the highlights of the monthly Coordinating Council meeting held in Des Moines on February 3. Those highlights included information pertaining to the Quad-Cities Graduate Study Center, coordination of televised courses, new programs, non-traditional studies, veterans education programs, and reciprocity with Minnesota.

President Boyd said the Governor apparently is going to ask the Coordinating Council to recommend persons to represent the state in various national forums. He suggested that funding be explored for travel expenses involved and suggested two possible methods. The first one suggested was to raise the membership dues of Coordinating Council members. Another method suggested was to assess the segments from which the representatives are selected. President Boyd said he did not recommend a state budget for this purpose. President Petersen recommended the travel expenses be furnished through the Coordinating Council because some sectors may not be able to support their representatives. Regent Bailey agreed with President Petersen.

REGENTS' EVALUATION OF THE IOWA SCHOOL FOR THE DEAF. The board was requested to approve the guidelines and procedures listed below for the Regents' evaluation of the Iowa School for the Deaf.

The Board Office noted that at the January board meeting the Regents authorized an outside evaluation of the Iowa School for the Deaf and requested that Dr. Giangreco assist the Board Office in the selection of the evaluation team. The following individuals were recommended to be on the Regents' evaluation team for the Iowa School for the Deaf:

Dr. Ross Engel, Professor, Iowa State University Education Administration. His experience includes various positions in educational administration at elementary and secondary levels.

Mrs. Phyllis Harper, Supervisor, Hearing Conservation/Education Services Area Education Agency 16. Parent of deaf child.

Dr. Kenneth Mangan, Professor, Department of Special Education, California State University, Northridge, California. Former superintendent of Illinois School for the Deaf.

Dr. Raymond Hoops, Graduate Dean, University of Northern Iowa. Area of specialization Speech Pathology.

Dr. Gilbert Del Gado, Dean of Graduate College, Gaullaudet College, Washington, D. C.

Dr. Julia Davis, Associate Professor, Speech Pathology, University of Iowa.

Dr. Robert Barak, Director of Research and Information, Iowa State Board of Regents.

The Board Office reported that during the discussion of this matter by the Board of Regents, the following issues were raised which should be regarded as the scope of the evaluation:

1. Communication (lip reading vs. sign language).
2. Cooperation with other agencies and institutions serving the deaf and hearing impaired.
3. Dormitory living.
4. School/parent relations.
5. Student self-sufficiency (living skills).
6. The role of athletics.
7. The qualifications and certifications of staff.
8. The quality of the education received at the Iowa School for the Deaf in comparison with the education offered in the public schools and schools for the deaf nationally. This includes an evaluation of the entire instructional program (i.e. teaching, learning, curriculum, technology).
9. A "critical" review of the recent accreditation study and Department of Public Instruction report.
10. The future role of the Iowa School for the Deaf in the education of the deaf and hearing impaired.

The Board Office said it is important that the evaluation team provide the board with findings and recommendations with respect to all of the above items.

GENERAL

February 17-18, 1977

Regent Bailey expressed concern about the Regents' evaluation of the Iowa School for the Deaf. He noted that the Department of Public Instruction was asked by the school to evaluate it and he now understands that the school is almost to the point of meeting all the Department of Public Instruction's requirements. He commented that the Board of Regents may be overreacting on the evaluation of the school and recommended that the Department of Public Instruction have another look at the school, as soon as the school feels it is in compliance with those requirements.

President Petersen said there are differences of points of view in outlook and philosophy in evaluating any organization and suggested that, rather than the board accepting one or the other or a variety of points of view, it should have an outside body review the accreditation reports already done at the school to give the board and the institution insights. She added that she feels the Regents' evaluation is in line with the kind of review the board did on the curriculum at the Iowa Braille and Sight Saving School when there was a tremendous change in the types of students that were there. She said that because of the area education agencies and because of the change in the number of multiply handicapped students at the Iowa School for the Deaf, a different group of students is now there. She said she feels that the type of review proposed by the Board Office would be very helpful in sorting out what seem to be a wide variety of opinions and perspectives in the area of education for the deaf.

Regent Bailey noted his concern that the members proposed for the evaluation team be qualified to evaluate the school for the deaf. He said otherwise that team should not be in the position to tell the board how the school ought to be.

Regent Baldrige commented that he has heard some discussion by some persons questioning the need for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School in view of the new area education agencies. He emphasized that the students at those two Regents' schools are unable to remain at home whereas those attending the area education agencies may. Regent Baldrige said he supported the Regents' evaluation of the school to better support Iowa School for the Deaf and to assure the legislature and the public of its necessity. He requested that the Regents' evaluation, if approved, speak to the role of the Iowa School for the Deaf in relation to the area education agencies.

Superintendent Giangreco said that in visiting with the institutional faculty last week, he understands the faculty is upset that a Regents' evaluation is being undertaken. He said they feel that the board is questioning the integrity of the faculty. Superintendent Giangreco noted that the school was accredited last May with high honors. And the school had 14 representatives from the Department of Public Instruction tell it what its weaknesses and strengths were. He commented that despite the Department of Public Instruction's dual standards for teaching, the school will meet those criteria. He noted that the school's teachers are now carrying an "82 certification" as well as other degrees. That is not true of teachers in other schools.

Superintendent Giangreco commented about three particular points raised in the Department of Public Instruction's report on the school. He said the concerns raised about individually guided instruction, admission, and certification have been taken care of.

Regent Baldrige said the board certainly hasn't intended to do anything to upset the faculty. He said the recommendation before the board is intended to be helpful. He stated a third party always seems to be helpful when evaluating an organization.

Regent Zumbach said he feels that a Regents' evaluation team study would be a reasonable way to resolve some of the conflicts noted in earlier evaluations. He added he hoped the board's intentions would not be misinterpreted and encouraged a positive attitude be taken in the action proposed to the board.

President Kamerick commented that in the case of collegiate-level evaluations no team members are allowed if they live in the same state as the department to be evaluated is located. He said there are too many dangers, otherwise, of self-interest entering into the accreditation. In response, Mr. Richey noted that that rule applies to only collegiate-level evaluations and added that the proposed evaluation team is an excellent, first-rate team. President Kamerick said that he had no criticism of the proposed evaluation team but thought that the earlier evaluation team might be open to criticism.

Regent Baldrige said two parts of the scope of the evaluation are of particular interest to him. He emphasized that the quality of the education received at the school in comparison with the education offered in public schools and national schools for the deaf should be evaluated and the future role of the school in the education of the deaf and hearing impaired should be evaluated.

Mr. Richey proposed that the costs incurred in the evaluation be borne by the Board Office by possible transfer of Board Office reserves at the end of the fiscal year or money from the State Comptroller.

Regent Collison supported the formation of the Regents' evaluation team by saying the review will augment what has already been done and will provide background information to the legislature to support the board's request for additional support services.

Superintendent Giangreco said he doesn't feel that the School for the Deaf should be compared to the Iowa Braille and Sight Saving School when it had a dramatic change in the types of students enrolled ten years ago. Mr. Richey clarified his remarks by saying he was recommending the school be evaluated in relation to the big enrollment drop the Iowa Braille and Sight Saving School had ten years ago.

President Petersen recommended the board look at a way of cycling evaluations for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School rather than every ten to 25 years, for instance. She suggested an ongoing process of long-range planning.

MOTION:

Mr. Zumbach moved the board approve the guidelines and procedures listed above of a Regents' evaluation of the Iowa School for the Deaf including the above-named members of the evaluation team. Mr. Baldrige seconded the motion and it passed with Regents Bailey, Barber and Slife voting nay.

INTERAGENCY PLANNING FOR SPECIAL SCHOOLS. Mr. Barak noted that the current discussions on cooperation between agencies involved in special education had its origins at a statewide meeting on special education sponsored by the Department of Public Instruction, the Department of Social Services and the Board of Regents about a year and a half ago. He noted that at that meeting there was a number of issues raised about the delivery of special education services to Iowa citizens. Since that time, there has been a series of meetings to help resolve some of those issues. Those meetings have been with the Department of Social Services, the Department of Public Instruction and representation from the Board Office. Mr. Barak reported that the scope of the issues has narrowed somewhat since the original issues came up. The primary concern now centers in the area of funding which seems to be the key to the rest of the issues.

Mr. Barak stated that it has been suggested that Iowa School for the Deaf and Iowa Braille and Sight Saving School as well as the schools under the Department of Social Services be funded using the school foundation formula which allocates a certain amount of funds per student based on district finance. The district average cost would amount to \$1200. That amount would be multiplied by 4.4 in order to get the amount of funds provided for each student. He noted that the \$1200 figure was only an average and the actual amount would vary on the individual school district involved. It was added that while the funding formula appears to be nearly adequate for Iowa School for the Deaf, it does not appear to be adequate for the Iowa Braille and Sight Saving School. There is quite a difference due to the higher cost per student at Iowa Braille and Sight Saving School compared to that at the Iowa School for the Deaf. Mr. Barak reported that the Department of Public Instruction is preparing a report on this approach taking into consideration all facets of the funding.

Mr. Barak stated that a meeting is being developed for March 22. This meeting will include the two superintendents under the Board of Regents as well as various administrators of the Department of Social Services and Department of Public Instruction who will be present to discuss this whole matter and to review the report now being developed by the Department of Public Instruction.

Mr. Richey reported that the funding proposal is now before the legislature. He stated that if the board's special education institutions would be financed through the school aid program and on the same basis as special programs in elementary-secondary schools, approximately a little over half of the cost would come from the local school district and 47% of that would come from state aid rather than the state billing the cost of this education directly. Mr. Richey emphasized that the source of funds has some impact now that the state is tight on money.

The governance of the Iowa School for the Deaf and the Iowa Braille and Sight Saving School has been raised in the legislature. Mr. Richey said he was asked what the Board of Regents' position is on this matter and he indicated that he responded that he would find out since the last time the board took a position was ten years ago. Ten years ago the Governor's Committee on Reorganization of State Government made the recommendation that those two schools be put under the Department of Public Instruction. The Board of Regents then reacted by saying that the Iowa School for the Deaf and the Iowa Braille and Sight Saving School should be retained under the Board of Regents. Mr. Richey noted that position was taken without reference to area education agencies because they were not existent at that time. He suggested that this subject be considered at the March Board of Regents meeting.

Mr. Richey reported that a study was started about a year ago on the matter of governance for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School in the context of federal legislation which gives the Department of Public Instruction new state-wide authority and responsibility for special education and for education of the handicapped.

President Petersen said the board's opinion on the governance issue should not be decided on the basis of political limitations for dollars.

Superintendent Woodcock said he feels that he is somewhat in the dark about the governance issue. He added that reference was made to "other issues" discussed with representatives from the Board Office, Department of Public Instruction and Department of Social Services. He said he would like to know what those other issues are. He stated that if the funding for the Iowa Braille and Sight Saving School is changed that the Regents should give strong consideration to approving only a system that would have the school present its budget in the precise same manner as it does now. He stated that the funding formula will not work the same way in elementary-secondary schools under the Department of Public Instruction as for the Iowa Braille and Sight Saving School due to the greater number of hours required in training blind students over sighted students.

Superintendent Woodcock said he feels it would be wise to have the Regents and State Superintendent Benton work with the legislature to have at least a year or two years of study time in analyzing the impact of changing the funding formula for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School. With reference to raising the necessary funding, Superintendent Woodcock commented that taxpayers in the Council Bluffs area, for instance, would pay a disproportionate property tax in comparison to other districts. He said Iowa Braille and Sight Saving School would be pleased to make available a representative to sit in on the meetings between the State Superintendent of Public Instruction and the Board Office with respect to issues regarding the Iowa Braille and Sight Saving School. Mr. Richey said a school representative will be invited as appropriate.

CAPITAL IMPROVEMENTS PROGRAM. The board was requested to approve the following recommended actions:

1. Allocate the \$340,088 balance in the 66th G.A. capital control account to these projects:

a. Design Contract -- Phase I -- Coal-Fired Boiler University of Northern Iowa	\$ 85,000
b. Fire Safety Improvements -- Phase I Iowa School for the Deaf	\$155,000
c. Fire Safety Improvements -- Phase I Iowa Braille and Sight Saving School	<u>\$100,088</u>
TOTAL	<u>\$340,088</u>

2. Revise or amend the capital request of the Board of Regents in three categories:

- a. Reduce the deficiency appropriations request from \$11,710,000 to \$11,305,000.
- b. Increase the academic revenue bonding authority request from \$14,430,000 to \$15,515,000.
- c. Increase the total capital requested from \$49,980,000 to \$50,660,000.

The Board Office reported that the board instituted a new procedure in 1975 whereby it makes a tentative allocation to a project subject to receipt of bids. After bids are taken, a project budget is reestablished and, if there are excess funds from the original allocation, the excess is returned to the capital control account of the board for later reallocation to other projects. At the present time this account has a free balance of \$340,088. This balance was accumulated from a return of funds from a number of projects which had their budgets reestablished at the time of taking bids or, in one instance, because a project at the University of Iowa to which funds had originally been allocated could not be undertaken during this biennium. Some \$35,000 was returned from University of Northern Iowa utility projects; \$225,000 was returned from the Oakdale Environmental Project which was reduced in costs through a switch to a bag filter system; and a total of \$100,000 was returned from the decision not to undertake the sludge handling project at the University of Iowa this biennium.

The Board Office considered the question of whether these balances should be left undisturbed until such time as a final decision was made on the current capital requests and then allocate them out to projects not funded this session. However, certain forces came into play which caused the Board Office to recommend the allocation at this time. The two primary factors were the necessity to immediately launch into detailed planning for the boiler at the University of Northern Iowa and the recently completed fire safety inspection by the State Fire Marshal at the Iowa Braille and Sight Saving School.

The Board Office stated that, in addition to the three projects to which it recommended allocation, the institutions contacted the Board Office and offered other suggestions for allocation of part of these funds. It was noted that all of those institutional requests are worthwhile and,

for the most part, have been included in the current capital requests in priority order with the other capital requests or projects of the board for the current biennium.

Detailed explanations were provided by the Board Office relating to the three projects selected for the \$340,088 balance in the 66th G.A. capital control account. Those explanations are on file at the Board Office. It was reported that those recommendations fully utilize the current balance in the capital control account. There will be some additional funds accruing to this account as projects are completed over the next 12 to 18 months. It is unlikely, however, that the amount will be significant, as all 66th G.A. projects have now been bid. The Board Office will, of course, continue to monitor these projects and may have future recommendations on allocation of any balances in this account.

The amended capital request came about for two reasons. The Board Office reported that the final estimate on the coal-fired boiler at the University of Northern Iowa is \$8,770,000. This compares to the request level of \$6,905,000. Six million five hundred and five thousand dollars was requested in new bonding authority and \$400,000 was requested as a deficiency/emergency appropriation request for 1976-77. The Board Office recommended that the capital request be amended to include the new cost estimate for this boiler. The amendment for this item affects several portions of the capital request:

- a. The planning funds are shifted from the deficiency request to the academic revenue bond request for utilities.
- b. The university has determined because of this significant cost overrun to defer the general utility line replacements and the North Steam Loop for the West Campus Project which were originally part of its utility needs in the current request. These two items shift \$1,100,000 into the boiler project.
- c. The above shift in funding and elimination of projects requires a net increase in the amount of academic revenue bonding requested for the University of Northern Iowa of \$1,085,000.

The second reason for the recommended amended capital request was because the completion of the fire safety requirement projects at both Iowa School for the Deaf and Iowa Braille and Sight Saving School are made part of the deficiency/emergency appropriation request for 1976-77. This amounts to \$95,000 for Iowa School for the Deaf instead of the \$250,000 originally requested and inserts \$150,000 into that category of the request to complete the Iowa Braille and Sight Saving School project.

The board was reminded that the Governor has recommended funding for only the Lindquist Center for Measurement in the amount of \$5,500,000 as compared to a request for \$5,640,000 and new academic revenue bond authority in the amount of \$14,430,000. The Governor has not recommended funding of any of the other deficiency appropriation requests nor any of the

planning appropriation request nor any of the projects on the capital request for 1977-78 or 1978-79.

Mr. Richey reported the Board Office's intent was to present this amended capital request to the legislature at the capital hearing on Wednesday, February 16, subject to board approval.

President Boyd said he appreciated the dilemma the Board Office found itself in with respect to selecting projects for allocation of the capital balances but stressed the problem the University of Iowa has with the Chemistry/Botany Building. He said he hoped that that matter will be resolved as soon as possible notwithstanding the fact the it can not be done through this vehicle.

Regent Zumbach said he is always interested in seeing that the board's incentives are in the right spot. He asked if there would be more incentive to find savings if they would go directly back to the institution involved. President Petersen responded that as a general rule funds are retained at the institution, but in this emergency-type situation this use of funds was recommended for maximum usage. Mr. Richey noted that most savings don't have anything to do with efficiency or effectiveness, but with the timing of a project.

MOTION:

Mrs. Collison moved the board:

- 1) Allocate the \$340,088 balance in the 66th G.A. capital control account to these projects:
 - a) Design Contract -- Phase I -- Coal-Fired Boiler, University of Northern Iowa (\$85,000)
 - b) Fire Safety Improvements -- Phase I, Iowa School for the Deaf (\$155,000)
 - c) Fire Safety Improvements -- Phase I Iowa Braille and Sight Saving School (\$100,088)
- 2) Revise or amend the capital request of the Board of Regents in three categories:
 - a) Reduce the deficiency appropriations request from \$11,710,000 to \$11,305,000.
 - b) Increase the academic revenue bonding authority request from \$14,430,000 to \$15,515,000.
 - c) Increase the total capital requested from \$49,980,000 to \$50,660,000.

Mr. Zumbach seconded the motion.

Mr. Richey presented the board with an oral summary of the capital hearing proceedings of February 16. He noted that President Petersen, Regent Baldrige and he made the presentation for the overall Regents request and institutional representatives made presentations for each of the institutional requests. Mr. Richey said an alternative was presented the Budget Subcommittee for Education due to the inability for the state to come us with the additional money recommended for capital. Mr. Richey presented to them a minimum request of \$7.3 million for direct appropriations,

which is essentially what the Governor recommended for the Lindquist Center for Measurement and the handicapped accessibility program plus the fire safety project at the Iowa School for the Deaf, girls' locker room project at the Iowa Braille and Sight Saving School, and the Master Plan for the Iowa Braille and Sight Saving School. Mr. Richey then presented an additional \$8.4 million in bonding above utilities which would add the Quadrangle Remodeling project, Music Building construction, and several miscellaneous projects as Old Armory replacement planning, the Library Addition planning at Iowa State University, and several remodeling and renovation items including Hudson Road Signalization and the gymnasium remodeling project at the University of Northern Iowa. The overall program would amount to \$31.2 million of which \$23.9 million would be for bonding. Mr. Richey reported that a bonding schedule was presented the subcommittee so that if the legislature would wish to go that route for funding, it would know that debt service would rise for a while, about \$2 million, over what it now and then would gradually decline. Mr. Richey said he feels this is consistent with the policy taken by the board in terms of adoption of the capital request. He noted that the board prefers appropriations, but would take bonding if necessary due to the need for these projects. President Petersen reiterated that the board would prefer direct appropriations, but if the legislature sees fit to go the bonding route, it would be in line with the board's long-standing policy.

Mr. Richey reported that a representative of the Iowa State University student body and the representative of the Building Trades Council of Iowa supported the Regents' capital request at the hearing. A representative of the Iowa State Historical Society spoke specifically on behalf of the Horticulture Building for Iowa State University.

Regent Collison said she feels there was very close committee and institutional rapport in presentation of the board's capital request this year.

VOTE ON MOTION:

The motion passed unanimously.

Superintendent Woodcock noted that he had not as yet seen the items included in the Board Office recommendation for fire safety which would be funded under this allocation. He said that it may be expedient to use part of the money now available to plan for some of the items in the capital askings such as if the school were to change a doorway, perhaps the school should also plan for the future wiring of that space. He noted that the school will be working with the Board Office on this. Mr. Richey commented that if there are differences between the Board Office and the school, they will be reported back to the board. Mr. Richey said the major priority established by the Board Office is to get as much immediate fire safety improvement as possible from the funds allocated and that does not include utilizing very much of these funds for future planning efforts.

LEGISLATIVE PROGRAM, 1977 SESSION. A. Mental Health Matters. Regent Collison presented the board an oral report on the latest meeting of the Mental Hygiene Committee. In summary, Regent Collison reported that the National Institute of Mental Health Regional Office has approved the Mental Health Plan for Iowa submitted by the Iowa Mental Health Authority working in conjunction with the Department of Social Services and the Department of Health. Public Law 94-63 Guidelines require an advisory committee for state mental health authorities. She noted that most states do not require a policy board as the Iowa legislature does. When Iowa's ~~Mental Hygiene~~ Mental Health Committee was established the Iowa legislature required that the Mental Health Authority be created. The Mental Hygiene Committee has been approved by regional and federal offices to meet the required guide-

lines. The committee will stand until the next fiscal year as a part of the Mental Hygiene Committee. Regent Collison said the Mental Hygiene Committee was simply expanded to meet the guidelines because of lack of funds to create another committee. She reported that the state legislative committee's effort to coordinate these services preceded this introduction of the bill.

Regent Collison reported that the Mental Hygiene Committee's stance is similar to the board's position on performance auditing. The services that are being done by the Mental Health Authority include a reporting system for use of funds, an annual review and modification of the State Plan. The program for the state includes its goals and objectives and the concept of pre-admission screening to avoid unnecessary institutional placement. She reported that the alternatives to hospitalization are the center system (while living at home) or new resources for phasing into mainstream of community life.

Regent Collison stated that the standards and accreditation mandates by law are enumerated in conformance with the National Accreditation Council. She added that the services of demographic information and inventory of existing facilities and priorities of program development are in the Mental Hygiene Committee's data book.

Continuing education of staff and boards of community Mental Health Centers are provided by federal funds administered there.

A resolution was provided to members of the board dealing with the study on mental health. The Board Office reported that the resolution currently is in the Budget Committee of the House. Regent Collison noted that the Mental Hygiene Committee has not really discussed the resolution in depth but staff are now working on it.

Regent Baldrige commended Regent Collison on her work representing the board on the Mental Hygiene Committee. He noted that her position involves a great deal of responsibility for the entire state. President Petersen agreed with Regent Baldrige by reiterating that Regent Collison has worked very hard on the committee.

B. Report on Legislative Budget Matters.

Mr. Richey commented with respect to a table he just received presented to him in handwritten form outlining the Senate and House budget targets for education. The table included the Governor's recommendations, Senator Van Gilst's recommendations, and Representative Horn's recommendations for educational funding. The table indicated the Governor recommends \$4,337,000 for Iowa School for the Deaf and the Iowa Braille and Sight Saving School whereas Senator Van Gilst recommended \$2,837,000 and Representative Horn recommended \$173,476,328 which would include funds for other Regents operations. The Governor recommended \$173,939,328 for other Regents operations and Senator Van Gilst recommended \$173,939,328 for same. The Governor recommended \$500,000 for continuing education for the Regents whereas Senator Van Gilst recommended one-fifth of that amount, or \$100,000. No money was recommended by Representative Horn for Regents continuing education programs. Mr. Richey assumed the board's basic concern is that it gets adequate funds for its institutions without a great deal of administrative overhead. He recommended the board take no position on the recommendations for funding until it finds out what is going to happen since a decision is not eminent with respect to funding for the two special schools.

Mr. Richey noted that Senator Van Gilst's recommendation included \$2,837,000 for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School whereas Representative Horn's total amount recommended was recommended as a lump sum figure for Regents' continuing education, the deaf and braille school, and other Regents operations. Senator Van Gilst recommended \$100,000 for Regents' continuing education, Mr. Richey noted, whereas the Governor's recommendation was for \$500,000. Mr. Richey commented that the only other major cut in the Van Gilst proposal from the Governor's proposal was that no funding is provided for construction of the Vocational Rehabilitation Building for which the Governor recommended \$2 million. Representative Horn recommended \$2 million for construction of the Vocational Rehabilitation Building, as the Governor did.

Mr. Richey said he was told that it is possible that federal fund losses may be cut from the Regents' base for this year and perhaps for part of last year. That, in effect, would devastate some of the Regents' programs. Mr. Richey informed the board that that was the proposal made by the Iowa House. That cut would effectively take away the proceeds of the tuition increase which the board enacted for next fall, leaving the Regents without any budget increase whatever for the next year. He stressed that there is absolutely no way you can absorb a cut of that magnitude without having a serious effect on the board's programs. He noted that in terms of health sciences, the board would be in bad shape if the House proposal would pass regarding federal fund losses.

President Parks said he realizes that the Governor and legislature are anxious to do the right thing in supporting Regents' programs but noted that he doesn't feel the Regents have made a strong enough case with respect to: 1) federal fund losses and 2) the enrollment increase at Iowa State University. He commented that if those two things are not funded both the quantity and quality of education at the University of Iowa (because of the major need of federal funds in the health sciences) and Iowa State University will suffer. He said he doesn't feel that anyone in the whole decision-making process wants to reduce institutional quantity of education or the quality of that education. President Boyd concurred with President Parks' statement with respect to the health sciences at the University of Iowa by stating that even with the present proposal the university can't maintain the present level of operation notwithstanding inflation.

President Petersen said that she can't remember a time when she felt when a proposal for the Regents' budget was as devastating to its institutions as the particular level of support now being recommended. She said the board needs to consider carefully the most effective way of articulating its concerns and what the implications of the proposed levels of funding mean in terms of quality of education and the numbers of students the board can take care of in the fields that are affected.

Regent Bailey said the board must recognize the political situation of government with respect to the state's financial status. He stated that the board possibly should make the conclusion that there does have to be an increase in a state tax whether it be income tax or sales tax. The reason for that is because of what has been a change in operations as far as the state is concerned. The state is not at the present time supporting the type of costs that it was ten years ago. It is now spending a great deal of its money for tax relief at the local level. That being the case,

Regent Bailey noted he feels there is substantial justification for a state tax increase.

Regent Baldrige then provided the board with the latest information with respect to the Iowa Public Broadcasting Network's budget. He noted that a meeting was held this morning whereby IPBN submitted an amended budget reflecting additional needs of \$140,000. Senator Hill reported at that meeting that he recommended the Governor's budget figure without the amendment. Considerable debate took place on the budget for the Iowa Public Broadcasting Network. Regent Baldrige noted that the Governor's recommendation was for \$3,792,503 whereas Senator Van Gilst's original recommendation was \$3,742,503 and Representative Horn's original recommendation was for \$3,642,503. In response to Regent Bailey's earlier comments, Regent Baldrige related to the board that the Democrats feel there should not be an increase in sales tax to raise necessary money.

Regent Shaw said he feels the board should stay out of the taxation issue. He added he feels that the taxation matter is someone else's responsibility and covers a broader issue than just education.

President Petersen called the board's attention to the fact that the information presented to the board regarding budget recommendations did not include K-12 education where enrollment is declining.

Regent Shaw commented that the tuition increase could be a source of overall income for the board whereas other agencies don't have that extra income. Mr. Richey corrected Regent Shaw by saying the effect is just the opposite. The board's tuition rates influence the area schools' tuition rates. Area schools presented their income estimates on the basis of existing rates.

C. Professional Standards Board. Mr. Richey reminded members of the board that last month they took a strong position opposing the establishment of a professional standards board for teacher certification. He stated that that position was presented to the Senate a week to ten days ago and the board's position was joined by the Department of Public Instruction and its representatives, the Iowa School Board Association, the Iowa Council for Teacher Education, and the Iowa Association of Private Colleges and Universities.

D. Performance Audit. Mr. Richey commented with respect to the latest version of the performance audit bill which establishes a legislative auditor's office and creates the position of legislative auditor. The proposed legislative auditor's office would have three divisions: 1) budget, 2) financial audit, and 3) performance audit. The budget portion would essentially take over the Legislative Fiscal Bureau's operations. The financial audit would take over the State Auditor's responsibility of the financial audit of state agencies' responsibility leaving only the responsibility for local governmental audits for the State Auditor's Office. Mr. Richey commented that the performance audit part of the legislative auditor's office could touch on any phase of education.

Later in discussion, Regent Baldrige requested the board's opinion on performance audits with respect to public broadcasting. He suggested the board

insulate against performance auditing with respect to public broadcasting for the same reasons as the board had made its position with respect to academic programs. There was a consensus reached among the board members that public broadcasting be included in the board's concerns with respect to performance auditing to the legislature.

Mr. McMurray reported that he just heard prior to his coming to the board meeting that this bill was reported out of the House State Government Committee this morning by a vote of 12 to 6.

Regent Baldrige reported that verbal concerns were expressed regarding performance auditing with respect to the Iowa Public Broadcasting Network because of a potential interference with programming, which is prohibited by the Federal Communications Commission.

Regent Bailey said he feels the board should stress that if the legislature does not permit the board to perform the oversight function of its academic programs that a committee composed of professional people appropriate to the subject to be audited be authorized. President Petersen noted that is the board's "fall back" position.

E. Duplication of Programs. Mr. Richey reported that at the legislative hearing yesterday there were some questions asked concerning duplication regarding the colleges of education. Some reference was also made to engineering. Mr. Richey suggested that the board ask the Interinstitutional Education Coordination Committee to be responsible for getting a response back to the legislative committees. He noted that the committee may want to use the deans of the three colleges of education in the study. Mr. Richey requested an indepth study be done by the Committee on Educational Coordination. There was no objection to this request.

F. Iowa State Historical Department - Amendment to Code. Mr. Richey said there is a proposed amendment to the Code by the State Historical Department that went to President Boyd. Mr. Richey said President Boyd had reported that the proposal corrects the present Code wording to add the words with respect to the Division of the Historical Society in Iowa City: "in order to benefit from and contribute to the State University of Iowa." Those words were accidentally omitted when written up in the Code a year or two ago. Mr. Richey noted the language is only corrective. The Division of the Historical Society would like to continue its association with the State University of Iowa.

MOTION:

Mr. Baldrige moved the board authorize the executive secretary to work with the State University of Iowa to have the language erroneously omitted from the Code as shown above, restored into the Code. Mr. Barber seconded the motion and it passed unanimously.

G. Proposed Legislation Establishing a Risk Manager. The following recommendations were presented the board for action:

1. That the board oppose the proposed legislation as currently written.
2. That the board endorse in principle the concept of a state risk management program.
3. That the board endorse the following specific changes to the proposed legislation:
 - a. That the risk management division be located in the General Services Administration.
 - b. That the proposed risk management legislation specifically exempt properties on the regents' campuses currently required to be insured because of bond covenants.
 - c. That the proposal be modified to allow individual departments to contract for insurance coverage for designated risk exposures. This should include exemption from statewide fleet automobile insurance coverage.
 - d. That limits of coverage for risk exposures be determined by potential loss rather than a uniform limit.
 - e. That the authority granted the risk manager for access to records and all information be restricted to that required for discharging the specifically designated responsibilities.

The Board Office reported that the primary objective of the proposed legislation to provide risk management in the areas of state-owned property and liability exposure is commendable. The risk management plan, either through insurance or a self-insurance program developing a comprehensive plan for managing the risk of loss of state property or liability claims, is laudible and long overdue. Therefore, the Board Office stated it believes the concept is sound, but offered the following comments regarding the draft legislation dated November 30, 1976:

Section 1 and 6 establish administrative responsibility for the risk manager with the state insurance commissioner. His primary responsibility is to regulate the insurance industry in Iowa. This could create a possible conflict of interest situation since, inasmuch as the insurance commissioner could be a potential customer as far as state property is concerned and at the same time has regulatory responsibilities. We believe it would be more appropriate for the risk management division to be under some other state agency. A likely one, obviously, would be the general services administration.

Section 2 outlines that one of the duties of the risk manager is to determine which risk shall be insured and which shall be assumed by the state. Existing bonding obligations at the Regents' institutions for self-supporting or revenue-producing facilities contain specific requirements regarding insurance coverage. We do not believe it would be appropriate that this responsibility be transferred from the Board of Regents.

Section 3 makes the department of general services responsible for contracting a purchase of all insurance. This would be inconsistent with existing purchasing arrangements between the Regents' institutions and the department of general services where the Regents maintain institutional responsibility.

We believe this is particularly important in the area of insurance where, at the present time, the majority of our policies cover dormitories, hospitals, and other self-supporting facilities for which the utilization of direct state appropriations are minimal. This would appear to transfer existing responsibilities of the Regents to other state agencies.

Section 3 paragraph 2 places the responsibility for insuring all state vehicles under a single fleet policy. Given the current state of automobile liability policies, we highly question whether it would be possible for the state to find a carrier willing to underwrite under a single fleet policy all state vehicles. Again, since many of the Regents' vehicles are supported out of non-appropriated funds, we believe there is some merit in being able to operate our own vehicle pools, including the appropriate operating costs.

Section 3 paragraph 3 establishes uniform limits of coverage for all state employees. Liability policy limits should be determined by the potential loss and exposure and presumably ought to vary with the nature of the operation. Presumably, what might be sufficient for a small state agency may not, in fact, accommodate a relatively large operation such as those found in the Regents' institutions where exposures may be very different.

Section 4 places review responsibilities with the Executive Council. There is no reference made to the possibility of the Regents having an opportunity to review these policies, which again would appear to be a transfer of responsibility away from the Board of Regents.

Section 5 gives the state risk manager access to records and all information requested with no restrictions. It would appear that this could be in conflict with certain confidentiality requirements in terms of access to personnel records, etc. This language would appear to be broader than is necessary in order to carry out the specific responsibilities assigned to the state risk manager.

The Board Office noted that although the objectives of the act are commendable, it should be kept in mind that in a number of other states, it has been very difficult to get long-term executive and legislative concurrence to build up the necessary reserves to be able to cover potential losses of the relatively large values that exist in state government. Based on the Board Office's rough estimates and informal studies, it is likely that the board's institutions contain at least half, if not more, of the state's physical property. As construction costs have risen and many of the board's programs have become increasingly complex, there are very large concentrations of exposures in confined areas. An example would be the recently completed College of Veterinary Medicine Building at Iowa State University which in terms of replacement costs today would probably be \$35 million to \$40 million. Although it is unlikely that a total loss to that facility would be incurred, should such an event happen, the tremendous exposure that the state could incur is certainly significant. Similar values exist at the other institutions.

The Board Office noted that the preceding recommendations and analysis represent the findings made by the ad hoc insurance committee with regard to the proposed legislation to establish a risk management division.

Regent Bailey asked how the cost of establishment of a risk management position would be handled. Assistant Vice President Madden said the risk manager position would be funded through state appropriations.

Assistant Vice President Madden noted that the present language in this legislation poses a potential problem with respect to a number of the board's bond resolutions. Mr. Richey said that if the state decides to establish a self-insurance pool, it can create a reserve of \$50 million to \$100 million, but the money can be diverted to other uses just as simply as it is put in, by amending the statute. That would actually provide no more insurance protection than the board currently has.

Regent Shaw said he feels the state ought to be able to self insure a lot of items. He said he would prefer to operate on the basis of what the state has had in the past. He said there is a very serious possible problem for the state with the accumulation of lawsuits. Mr. Richey responded that unless a risk manager position is established, we don't have assurance that money's going to be there when needed. He added that the managers of that "pool" are not going to be entirely free from the state political decision makers and, even though coverage may be available, it still may be a political decision as to what is covered.

President Petersen asked what the possibility is of this legislation moving forward. Mr. Richey reported that this legislation has been developed by a study committee and legislative liaisons feel this has a chance of very serious consideration.

MOTION:

- Mr. Brownlee moved the board: 1) oppose the proposed legislation as currently written, noting serious reservations about the ability for this concept to work in covering Regents' operations; and 2) endorse the following specific changes to the proposed legislation:
- a) That the risk management division be located in the General Services Administration.
 - b) That the proposed risk management legislation specifically exempt properties on the Regents' campuses currently required to be insured because of bond covenants.
 - c) That the proposal be modified to allow individual departments to contract for insurance coverage for designated risk exposures. This should include exemption from state-wide fleet automobile insurance coverage.
 - d) That limits of coverage for risk exposures be determined by potential loss rather than a uniform limit.
 - e) That the authority granted the risk manager for access to records and all information be restricted to that required for discharging the specifically designated responsibilities. Mr. Bailey seconded the motion.

Regent Brownlee stated his feeling that the board should not get deeply involved in this proposed legislation. If the board got involved to the point of quasi approval, it would get some things included in the legislation which it wouldn't like. He expressed fear that the institutions would get hurt if the legislature moves into this area.

VOTE ON MOTION:

The motion passed unanimously.

Regent Slife supported Regent Shaw's earlier comments. He said he feels that the board may be involving itself in too many legislative proposals. The board has a lot of proposals in the legislature that have only peripheral importance and noted the great amount of work the board's legislative liaisons already have to do. Mr. Richey assured the board that the legislative liaisons will not be working full time on this matter.

Further discussion of the board's legislative program was deferred until tomorrow.

EMPLOYEE MEMBERSHIP ON COMMITTEES. The board was requested to approve the following recommendation made by the Board Office: That employees within the blue collar collective bargaining unit who are members of the merit system classification and compensation advisory committee or other various institutional committees that participate in the governance of the institutions and which deal with mandatory subjects of bargaining, in whole or in part, should be removed from those committees.

The Board Office reported that during December of 1976 the results of the union election among the Board of Regents' blue collar employees in which they selected AFSCME/ISEA (AFL-CIO) (the union) to be their exclusive bargaining agent, was certified by the Public Employment Relations Board. Section 20.17 of the Public Employment Relations Act states that, "The employee organization certified as the exclusive bargaining representative shall be the exclusive representative of all public employees in the bargaining unit and shall represent all public employees fairly...." (Although the union has not yet been certified as the exclusive bargaining agent for these employees by the Public Employment Relations Board, such certification is expected shortly. In the meantime, the union is being treated as though it had been certified and is entitled to the rights of an exclusive bargaining agent.)

The Board Office stated that in view of the foregoing the Board of Regents and the local institutional administrations are prohibited from negotiating with their blue collar employees within this unit as individuals or as a part of a non-union committee regarding mandatory subjects of bargaining as spelled out in Chapter 20.9 of the Public Employment Relations Act. The new relationship requires that the employer deal with the covered employees regarding mandatory subjects of bargaining only through the union except as otherwise provided by law. Chapter 20.17 of the Public Employment Relations Act continues: "...However, any public employee may meet and adjust individual complaints with a public employer."

The Board Office noted that there are a number of these bargaining unit employees who are members of a variety of institutional committees as well as the merit system classification and compensation advisory committee which deal with mandatory subjects of bargaining in addition to other matters. Staff councils, administrative councils, physical plant committees, and search committees regularly discuss and make recommendations to the local administrations (in a negotiating posture) on fringe benefits, holidays, salary adjustments, selection of supervisors, and other administrative

actions or policies. With the onset of collective negotiations participation in the governance of the universities or the special schools by bargaining unit members must cease in accordance with the board's statutory obligation and its responsibility to promote the effective administration of its institutions.

Regent Baldrige commented that he had lunch with a Staff Council member who asked if she would have to leave the staff council when items on the agenda concerned with collective bargaining were discussed and whether it would create an administrative problem. In response, Assistant Vice President Madden reported that it is the expressed wish of the Iowa State University Staff Council and the members on the Staff Council whose constituents are in the bargaining unit that, if possible, they be allowed to function on the Staff Council. It was noted that there are 20 persons on the Iowa State University Staff Council, eight of whom would be unable to serve under the proposed concept.

Regent Baldrige asked if there could possibly be a prohibited list of items on the agenda of things to be discussed whereby the Staff Council role would be changed. Mr. Richey said communication with the unorganized employees would be lost if that would be done. Regent Slife noted that the board does not know what areas are going to be the subject of bargaining in the future, either.

President Parks said he feels it would be extraordinarily difficult to have members on the Staff Council for some purposes and not for others. He said he feels that the Iowa State University Staff Council would feel that if the members can't be "full participants," they shouldn't be in the Staff Council. Insofar as those persons interested in continuing communication, he reported that all the university committee meetings are open meetings. There would be nothing to prevent anyone who is a member of the merit system to be in the audience.

MOTION:

Mr. Bailey moved that the board, on the advice of counsel, regretfully inform members within the blue collar collective bargaining unit who are members of the merit system classification and compensation advisory committee or other various institutional committees that participate in the governance of the institutions and which deal with mandatory subjects of bargaining, in whole or in part, that they should be removed from those committees. Mr. Zumbach seconded the motion.

Assistant Vice President Small said that the administration at the University of Iowa has discussed this matter for several months with its Staff Council. The Staff Council has "reluctant acceptance" of the exclusion of blue collar employees as recommended by the Board Office in various institutional committees that participate in the governance of the institutions and which deal with mandatory subjects of bargaining. She said they understand the problem and don't want to complicate it, but have explored a range of possibilities, such as a split agenda. She noted, however, that there was a general feeling that it probably would not work. She reported that the university administration has worked with AFSCME representing employees at

the university and it is that organization's opinion that blue collar employees do not belong on the Staff Council.

Mr. Grant, Regents' Director of Employment Relations, then emphasized that the action before the board in no way should be considered as punitive action. He reported that Section 20.17 of the Public Employment Relations Act requires that the exclusive bargaining representative shall be the exclusive representative of all public employees in the bargaining unit. He noted that the board has no option. He commented that employees have voluntarily chosen to take on a new relationship between themselves and their employer and the board is required to deal in this fashion at employees' option.

Vice President Stansbury reported that the University of Northern Iowa has a different structure with respect to blue collar employees but said that the university, in essence, is in agreement with the motion before the board.

Mr. Les Chisholm, Business Agent, AFSCME, AFL-CIO, University of Iowa Employee Union, Local No. 12, reported he was in a difficult position on this particular proposal. He noted that Vice President Small accurately reported what the University of Iowa union told her but the three local unions at the three universities have consulted regarding this particular recommendation and have a different feeling. He reported that the three unions agree with the quotation from the law but feel that this is a subject to be resolved through the mechanism that the employees have chosen, collective bargaining. He said he, speaking for the three union groups, feels that the recommended board action is premature. The three unions need to see how the bargaining process sorts this matter out. He reported that the three unions' position may change or it may become stronger, as it sees what subjects are covered by collective bargaining and how the relationships work out.

Regent Slife indicated that he agreed with the recommendation of the Iowa City local of AFSCME but not the recommendation of the three union groups. He said the board needs to be concerned with maintaining the historical relationship it has had with merit system employees through the respective staff councils. Insofar as possible, that kind of communication must be maintained. In order to do that, we need to carve out from the historic make-up those employees no longer permitted under the provisions of the act from having these kinds of informal communication.

VOTE ON MOTION:

The motion passed unanimously.

APPEAL OF UNIVERSITY OF IOWA EMPLOYEE, MICHAEL FOUNTAIN, FOR ARBITRATION OF HIS GRIEVANCE. The Board Office recommended that the board affirm the decision of the Regents' Merit Director and deny the arbitration requested by Mr. Fountain on the grounds that he does not have a valid grievance under the Merit Rules.

The board was presented a considerable amount of background material relating to the appeal of Mr. Fountain. The Board Office explained that in October of 1976 Mr. Fountain requested that the Merit Director arrange for arbitration of a grievance in which he alleged violation of Regents Merit Rule 3.39(13), Pay for trainees and apprentices, and asked for back pay to the date of his employment as an Apprentice Machinist in January, 1974 and for immediate elevation to the status of Journeyman Machinist.

While university representatives maintained that Mr. Fountain was and has been properly paid, they denied his grievance on the grounds that it was not timely in accordance with the requirements of the university's grievance procedure. It was reported that Mr. Fountain was hired as an Apprentice Machinist in January, 1974. In June, 1976 he filed a grievance in which he claimed he should have been given more credit for his prior education and experience than what was allowed at the time of his hiring. The university's institutional grievance procedure requires that an employee who wishes to use that procedure must initiate Step 1 within 21 calendar days from the date of discovery of the grievance and that no grievance may be filed later than one year from the occurrence of the event which gave rise to the grievance. The Regents Merit Director denied the grievant's subsequent request for arbitration: 1) because none of the facts presented indicated any violation of the rule cited by the grievant, and 2) because he agreed that the grievance was not timely in accordance with the requirements of the institutional grievance procedure and board rulings.

Regents Merit Rule 3.39(13) reads as follows:

The schedule of wages for trainees and apprentices will consist of two steps in the pay matrix for every year of training required. Each employee whose performance is satisfactory will progress one step at a time in six month intervals from the first step of the schedule to the entrance rate established for the journeyman class in the length of time established for training or apprenticeship.

The Board Office reported that although Mr. Fountain alleged a violation of the above rule, he, in fact, was complaining because that rule was followed to the letter and because he was not given an advanced starting salary on the basis of his qualifications, which is permissive under a different Merit Rule at the request of the institution.

Mr. Fountain contended that his grievance was timely in spite of the approximate two and a half year time lapse from the date of the occurrence about which he complained, because of a ruling by the board in 1974 in a case involving another employee of the University of Iowa, Betty Romine. In that instance, the board ruled that in fairness to employees the one year time limitation on grievances should not apply in cases where the effect of the alleged violation was continuous, but that the one year limitation would apply to any award of back pay.

The Merit Director interpreted the ruling on the Betty Romine case to apply only to the one year limitation and not to the 21 day from date of discovery limitation in the University of Iowa institutional procedure. Mr. Fountain was aware of and agreed to the salary he was offered in 1974. The record also showed that he knew in 1974 that advanced starting salaries were possible under the rules. His grievance, which was not filed until June 28, 1976, clearly did not meet the requirements for timeliness.

Mr. De Nio, representing the Regents' Merit System, summarized the facts for the board and reported that the information presented the board regarding the Fountain case was complete.

Mr. Les Chisholm, Business Agent, AFSCME, AFL-CIO, University of Iowa Employee Union, Local No. 12, reminded the board of the Betty Romine case. (The minutes of the Betty Romine case are found on pages 42-46 of the July 23-24, 1974 Board of Regents' minutes.) Mr. Chisholm reported that while Ms. Romine was aware of the discrepancy in her pay for two to three years, she had not filed a grievance prior to the time she did as she attempted through internal administrative mechanisms to seek resolution. Only when she became convinced that those mechanisms were not going to provide an equitable solution did she file a grievance. She filed a grievance which came before the board and the matter ultimately was resolved. The board, in that case, felt that while the incident dated back several years, it had a continuing impact on her level of pay. Due to the board's decision, Ms. Romine was able to gain remedy in that case. Mr. Chisholm said the Fountain case is similar to the Romine case.

Mr. Chisholm introduced Mr. Loren Schutt, Steward, AFSCME Local 12, who wished to speak on this matter. Mr. Schutt noted that from the memorandum presented to the board by Mr. Richey, he assumed that Mr. Fountain knew about his grievance several years before he filed it. Mr. Schutt informed the board that the Regents Merit System is very limited in addressing the grievance procedure. The fact that he wasn't informed that the grievance procedure applied to him was not unusual. When he did find out, however, he filed the grievance. He said that, to him, the Board Office was trying to reverse the ruling of the board.

Regent Zumbach said as he recalls the Romine case, he believed that the board then felt that she had relied on a statement by people within the institution to her detriment. In this case, Mr. Fountain didn't rely on false information.

Assistant Vice President Small said that her recollection of the Romine case was that there were some adjustments made to some employees in late spring who were somewhat similarly situated and, as a consequence, Mr. Chisholm wrote to hospital administrators shortly thereafter and that process began discussions as to whether or not Ms. Romine fell under the same circumstances for a salary adjustment. She reported that after continuous discussions, the board drew the conclusion that Ms. Romine had been, in a sense, acting properly as soon as she discovered that she had been treated in error. In reference to the Fountain case, Assistant Vice President Small emphasized the "discretionary" authority to provide advanced starting salaries under rule 3.39(1)b, "appointment based on exceptional qualifications."

Mr. Chisholm reported that AFSCME submitted a letter to Mr. Volm regarding the Dale Helfrich case whereby he was asked for an interpretation of the Romine situation. In that instance, Mr. Volm wrote that the key aspect involved in that case was there was a continuing effect in terms of pay. Mr. Chisholm said he feels that there was a continuing error in terms of pay in the Helfrich case, the Romine case, and the Fountain case.

Assistant Vice President Small reported that she worked with Mr. Volm in regard to the Helfrich case as to the rationale for sending it to arbitration. She noted that arbitration, in that case, was taken without the board's direction. It was also indicated that Mr. Volm arranged for arbitration in the Helfrich case since the institutional office had agreed to waive the issue of timeliness. Mr. Chisholm then said that the latter statement was totally in error and that such was not the case. Mr. De Nio then commented that he had a conversation with Mr. Volm this morning and he confirmed Assistant Vice President Small's comments on the matter. He reported that the waiving of the time issue was done by verbal conversation over the telephone with the institution's resident director.

President Petersen recommended Mr. Richey and the Board Office rereview the Romine case. Mr. Richey reiterated that the memorandum prepared in the Board Office pointed out that the difference between the Romine case and the Fountain case centers around Mr. Fountain's continuing knowledge of the remedy without filing a timely grievance.

Regent Zumbach stated he was somewhat bothered by the fact that just because someone doesn't know about the grievance system doesn't mean that person has a legitimate reason to file late. If there is some reason which causes the person not to know, that's different, however. That was the circumstance in the Romine case.

Regent Shaw reported he understands that Mr. Fountain was happy with the pay grade at the time he was hired. He added that he feels it would be highly unlikely that there could be a case on this matter and said he falls on the "procedural side."

MOTION:

Mr. Shaw moved the board affirm the decision of the Merit Director and deny the arbitration requested by Mr. Fountain on the grounds that he does not have a valid grievance under the Merit Rules. Mrs. Collison seconded the motion and it passed unanimously.

ENERGY CONSERVATION REPORT. The board was presented a report on energy conservation to update it on the policies adopted by the institutions and to review the ongoing energy conservation activities at each of the Regents campuses. The report complemented the report to the board last month on fuel and purchased electricity. The summary was supplemented by energy conservation reports by the institutions which are on file at the Board Office.

In general, the Board Office stated that the institutions have adopted policy guidelines on room temperature similar to those applied to state buildings. In certain instances during periods of reduced operations building temperatures have been even further reduced. It is apparent from the reports that the amount of energy conservation attainable through individual conservation actions has peaked. Future significant gains may be captured only through the investment of substantial amounts of money to provide programmable central control complexes and to adapt current facilities to current heating, cooling and ventilating standards.

The Board Office commented that a proposal outlining the capital investment requirements for the program was presented to the board in September and to the State Comptroller for coordination with state-wide energy conservation investment activity. It was stressed that significant progress with energy conservation will never be made until funds are made available to install a computerized programmable central control system.

University of Iowa

The University of Iowa reported that it has been able to contribute approximately a 10% reduction in energy consumption by the adherence to individual energy conservation efforts and through physical plant operations which conform to the established national and state guidelines. The energy saving efforts implemented in 1973 in response to the energy crisis are being continued at the University of Iowa. These include reduced levels of inside lighting during working hours, turning off lights except for security and safety after working hours, reduce heating thermostats to 68 degrees, reduce thermostats to 60 degrees in unoccupied rooms over weekends, and limit summer cooling thermostat level to 78 degrees.

In addition to the ongoing activities, President Boyd has requested that wherever possible campus buildings be maintained at 65 degrees and all members of the university community are urged to redouble efforts to conserve energy usage. In buildings with adequate central control, the physical plant will attempt to maintain the 65 degree level.

Iowa State University

Iowa State University estimated that it has been able to reduce energy consumption by approximately 10% through the strict application of ongoing individual energy conservation efforts which conform to established national and state guidelines. It noted, however, that with the addition of new facilities and increased enrollment, overall energy consumption has been increased.

The university reported that temperatures of all classroom, office and laboratory buildings have been lowered to approximately 68 degrees during the heating season. When air conditioning systems are operational, room temperatures are controlled to a temperature between 75 and 80 degrees. During quarter breaks and extended vacation periods temperatures are lowered to 50 degrees in unoccupied areas. Also, lighting has been reduced and turned off when not required where feasible.

University of Northern Iowa

The university stated that it is continuing manual night and weekend setback of heating, ventilation and lighting, where practical. The university said that it has continued efforts with faculty, staff and students to encourage energy conservation.

An aerial infrared scan of Cedar Falls and Waterloo was conducted by Cedar Falls Utilities and Iowa Public Service Company. The scan canvasses the university as well in terms of identifying heat loss through roofs. Daedalus Enterprises conducted a more refined scan of the University of Northern Iowa the same day it did a scan of the University of Iowa. The Daedalus scan identified more specific areas of energy loss such as steam and condensate line loss. It is believed that that Daedalus scan will afford a more valuable source of information in that the scan identified those areas when conservation can be practiced immediately at less cost. The

information from the utilities scan will be available in four weeks. The Daedalus information may be obtained within six weeks.

The university reported that effort will be directed toward monitoring of systems, procedures and projects for potential energy conservation.

Iowa School for the Deaf

Iowa School for the Deaf reported that it has attempted to conserve energy usage within the constraints of the existing facilities. Department heads and supervisors were requested to remind employees to conserve energy in overall operations. The institution is continuing to monitor closely its fuel oil used in the production of heat. It also reported that energy consumption as of January 31, 1977 is 7.7% higher than experienced for the corresponding period in 1975-76.

Iowa Braille and Sight Saving School

The Iowa Braille and Sight Saving School stated that its energy practices continue to include reduction of room temperatures and other measures previously reported to the board. In addition to the previous reports, the following measures have been taken to conserve energy:

1. Installation of electric water heater in Rice Hall -- eliminates the need to run the boiler to heat water at times when the boiler is not needed to heat space.
2. Contract is in preparation for installation of a reduced-size deaerating feedwater heater.
3. The 250 horsepower boiler has been modified to operate at "low fire" and reduced steam pressure during mild weather. A study has been completed and work started to modify the 500 horsepower boiler in the same manner. When completed, the institution will have effected the lowest possible fuel consumption for the size of the respective units.

The school reported that the main building has 120 radiators requiring manual operation. Very little can be done to conserve energy in the major building on campus until money is approved for renovating the building.

The Board Office noted that it appears that any further major savings from energy conservation will be obtained only through application of requisite capital appropriations to implement the necessary central control systems and facility improvement. The institutions are currently working on a large task to identify all buildings on a classification survey for the Energy Policy Council. The documentation will provide a complete inventory of all buildings owned or operated (leased) by the state of Iowa for which energy consumption is required to perform necessary operations. It is apparent that significant strides can yet be made in energy conservation if questions of funding can be resolved.

Regent Bailey asked about insulation of the institutional buildings. Vice President Jennings noted that insulation would do a lot to help the University of Iowa's buildings. Regent Bailey said he was not only talking dollars when he referred to proper insulation, but was also talking about good citizenship. Vice President Jennings commented that the other day he

asked to have sensors installed for the computerized control system at the university. He commented that those sensors for one Pentacrest Building amounted to about \$10,000. He said the cost of insulation would be far more. President Petersen noted that insulation would be more practical to be considered when buildings are built rather than after they are built. Regent Bailey responded by saying that while it may not be practical on the side walls, ceiling insulation is not a very big problem to do after a building is constructed.

Mr. Whitman, Director of the Iowa State University Physical Plant, reported that the university has insulated the roof structure of every new building on that campus since 1960. He added that virtually all the buildings built prior to that time have been reroofed and are now insulated, too.

Regent Shaw noted that if there is some way to come up with money for energy conservation requirements other than the appropriation process in addition to the appropriation process, the board should consider it.

In absence of objections, President Petersen accepted the energy conservation report for the board, thanking the institutions for their good reports.

President Petersen said the board must look again next year for appropriations and begin to seek ways of making investments that are going to be necessary to make significant strides in energy conservation. Regent Collison noted one recommendation is to seek federal funding under the Higher Education Facilities Commission. If the commission would get the study started, the board would be able to "piece meal" energy conservation some day.

Assistant Vice President Madden commented that there is federal legislation that has a reasonable chance of passing that would make low interest loans to non-profit organizations for funding. This ties in with the Board Office comments regarding the Higher Education Facilities Commission. He said he understands that, in essence, these would be 3% loans on the rationale that the pay back would be from energy savings that would let you retire the loan over some period of time. He added that a number of private institutions are pushing very hard to get that legislation funded because of the operating costs of energy.

PRELIMINARY ACADEMIC COMPUTER PLANNING REPORT. The board was requested to approve the preliminary academic computer planning report for transmittal to the State Comptroller and Legislative Fiscal Director for information with a cover memorandum that indicates continuation of the planning effort so that a lease/purchase of new facilities for the University of Iowa can proceed as soon as funding becomes available.

The Board Office reported that at its October meeting, the Board of Regents considered budget requests for expanding computer facilities and operations which were approved for submission to the executive and legislative branches of state government for funding. It was decided that an ad hoc task group should be established to prepare an academic computer plan for submission to the board at its February meeting. Such a task group has since been established.

The Board Office stated that the ad hoc task group recognized a number of topics that should be treated in a comprehensive, long-range planning report including a quantitative estimate of the user demand for computer services, alternative computer facilities, mode of operations at each university, load sharing and personnel to support the computer operations. It was immediately decided that time would permit only an examination of the demand for computer services by students and staff for instruction and research both sponsored and unsponsored. Some of the research may be considered to be public service activity. The user demand that has been satisfied during the past ten years and the estimated user demand for ten years in the future has been prepared by the universities for two modes of operation of the computer: batch and interactive. In the batch mode of computer operation, a job is submitted to the computer center by the user and the results are obtained from the computer center after a half hour to perhaps overnight. The batch mode of operation may be used for both educational and research purposes. The interactive mode of operation involves the user operating a terminal with a keyboard to enter messages to the computer and a typewriter or cathode ray tube for the computer to provide messages back to the user. Interactive computing is particularly important for instruction. Moreover, interactive computing allows researchers to input data, observe results and input additional data accordingly.

The report included brief history on highlights of computer operation for each university, discussion of user demands past and future (1966-1986), tabulation of demand for computer services over the 20 year period and an introductory summary thereof. Two appendices were also presented the board for information: the first discussed academic computer experiences at the University of Iowa including computing for teaching, and the second tabulated significant computer equipment for all applications including University Hospital and institutional administration as general information.

Mr. Richey clarified the action recommended by stating that even though the State University of Iowa was specifically noted regarding the continuation of the planning effort for lease/purchase of new facilities, it does not preclude the fact that there is also continual planning at the University of Northern Iowa and Iowa State University. He noted, however, that the University of Iowa specifically included appendices for the board with respect to computer planning. That was the only reason the Board Office inadvertently referred to the State University of Iowa in the action recommended.

Mr. Richey indicated that the Board Office in no way intended that the State University of Iowa has a greater need for long-range computer planning than the University of Northern Iowa or Iowa State University. Mr. Richey commended the institutions for the preliminary report in view of the limited amount of time they had to work on it.

The board was presented the following brief listing of cost figures on a monthly basis whether the equipment is owned or leased, in order to have a basis for comparison:

<u>University of Iowa</u>	<u>Model Number</u>	<u>Number of Units</u>	<u>Central Memory Words</u>	<u>Cost/Month</u>
<u>University of Iowa</u>				
University Computer Center				
IBM	360/65	1	448,000	\$ 49,717
Hewlett Packard	2000	1	64,000	4,086
	2000	3	56,000 ea.	3,105 ea (a
CDC	CYBER 70/71	1	65,000	13,072
Administrative Data Processing				
IBM	370/155	1	250,000	19,864
University Hospitals				
IBM	3158	1	384,000	73,428
Pathology				
Digital Equipment	11/45	1	48,000	7,368
Physics and Astronomy				
UNIVAC	418-J	1	16,384	None
UNIVAC	418-II	1	45,056	None
UNIVAC	418-III	1	49,152	4,699
Control Data	160-A	1	8,192	None
Control Data	160	1	4,096	None
Control Data	160-A	1	32,768	None
Control Data	8090	1	16,384	None
Control Data	1604-C	1	32,768	None
Control Data	3800	1	64,536	None
<u>Iowa State University</u>				
Computation Center				
IBM	360/65	1	---)
IBM	2365	2	128,000)	
Fabríteck	MOD65	1	128,000)	
IBM	2361	1	256,000)	\$ 87,777
IBM	370/158	1	256,000)	
EAI	8812	1	Analogue	3,028
Administrative Data Processing				
IBM	370/145	1	128,000	33,874
UNIVAC	1900	1	32,000	1,617
IBM	360/40	1	48,000	10,685
<u>University of Northern Iowa</u>				
Administrative Data Processing				
IBM	360/40	1	256,000	11,871
Academic Computing Service				
General Automation	SPC-16	1	12,000	605
Hewlett Packard	2000	1	56,000	1,840
<u>Iowa School for the Deaf</u>				
Administrative Data Processing				
National Cash Register	399	1	8,000	517

	<u>Model Number</u>	<u>Number of Units</u>	<u>Central Memory Words</u>	<u>Cost/Month</u>
<u>Iowa Braille and Sight Saving School</u>				
Administrative Data Processing				
National Cash Register	399	1	12,000	517

Regent Bailey commented about the price variances for computers at the University of Iowa. He noted that at the University Computer Center the CDC with capacity of 65,000 words costs \$13,072 per month whereas in Administrative Data Processing at the University of Northern Iowa, using IBM equipment and 256,000 words, the cost is \$11,871 per month. He asked whether those are valid comparisons. He asked whether the universities were more selective in the equipment leased or whether there was some other reason.

Vice President Jennings responded by saying the comparisons were not valid because the computers are entirely different types of equipment and are used for different purposes. The CDC's primary strength is control in terms of interactive computing as opposed to fast processing. The CDC is a much more efficient piece of equipment for that. The CDC comes with a large amount of software which is not able to be used on other pieces of equipment. Vice President Jennings added that both the CDC and Hewlett-Packard computers are small additions to take care of some of the obsolete technology.

MOTION: Mr. Bailey moved that the preliminary academic computer planning report be approved for transmittal to the State Comptroller and Legislative Fiscal Director for information. Mrs. Collison seconded the motion and it passed unanimously.

ANNUAL REPORT OF THE IOWA STATE UNIVERSITY IOWA 4-H FOUNDATION. The board was requested to accept the annual report from the Iowa 4-H Foundation. The report contained both a narrative description of the foundation's activities for this past year as well as a yearly treasurer's report.

The institution reported that for the past 25 years the major project of the Iowa 4-H Foundation has been the development of the Iowa 4-H Camping Center near Madrid, Iowa. In 1950, 4-H members contributed \$13,000 to purchase the first tract of land for the camp. Since then parents and friends of 4-H businesses have joined 4-H members in contributing more than a million dollars toward the development of the Camping Center. Private contributions are used to offset or eliminate the necessity of using tax funds for this development and other projects.

Regent Collison noted that the report mentions that after nine years of land and water negotiations, the foundation reached final settlement with the Army Corps of Engineers. Saylorville Dam will take part of the 4-H camp property, and part of the agreement provided a new water system for the camp.

Assistant Vice President Madden noted that the settlement seems acceptable. He added that the water problem hasn't had anything to do with the use of the camp.

MOTION: Mr. Bailey moved the board accept the annual report from the Iowa 4-H Foundation. Mr. Baldrige seconded the motion and it passed unanimously.

EXECUTIVE SESSION. President Petersen reported there were two matters to be discussed in executive session: a personnel matter at the State University of Iowa and strategy in regard to collective bargaining. She requested that the board's vote to enter into executive session include approval to enter into executive session to discuss collective bargaining strategy between this meeting and the March Board of Regents meeting.

On roll call vote as to whether to enter into executive session, the following voted:

AYE: Bailey, Baldrige, Barber, Brownlee, Collison, Shaw, Slife, Zumbach, Petersen.

NAY: None.

ABSENT: None.

The board, having voted in the affirmative by at least a two-thirds majority, resolved to meet in executive session beginning at 3:10 p.m. and recessed at 6:00 p.m. to reconvene at a later date.

The following business pertaining to general or miscellaneous items was transacted on Friday, February 18, 1977.

INTRODUCTION. President Parks introduced Clarke Bell, President, Iowa State University Student Body, and Mary Beth Howe, Vice President, Iowa State University Student Body, to the board.

REPORT ON HOUSING AND DINING SERVICES FOR 1975-76. The board was requested to accept the annual report on the residence systems at the three universities.

The Board Office noted that the annual report presented the board on housing and dining services is a compilation of information furnished by the institutions.

The Board Office stated that the fall occupancy in the dormitories for 1976-77 was up at Iowa State University and the University of Northern Iowa but declined slightly at the State University of Iowa. The number of married student occupants at the State University of Iowa was constant, but declined at Iowa State University and the University of Northern Iowa. The decline at the University of Northern Iowa was attributed to the withdrawal of 24

trailers from usage. Facilities at all three institutions continued to experience demand pressure on available capacity. Accommodation of the requests was made possible through the use of temporary housing arrangements. At the State University of Iowa all students were assigned to permanent housing by the beginning of October which cut temporary housing time in half.

The board was informed that the basic dormitory rates for a single student in a double room receiving 20 contract meals a week for 1976-77 are:

State University of Iowa	\$1,304
Iowa State University	\$1,095
University of Northern Iowa	\$1,096

The Board Office reported that from the financial estimates provided for 1976-77, some increase in dormitory rates will be necessary for 1977-78. The requested increase in rates were separately docketed in the respective institutional sections for these minutes.

Residence Hall Occupancy

The Board Office reported that overall occupancy for 1976 at the State University of Iowa and Iowa State University was above capacity as it had been for the previous year. This represents the fifth year that Iowa State University has been occupied at full capacity and the second year at the State University of Iowa.

It was noted by the Board Office that the occupancy ratio for 1976 increased to 98% at the University of Northern Iowa. Plans are being made to renovate some areas of Bartlett Hall in order to provide for a more usable, functional and attractive facility. This includes splitting the building into separate graduate and undergraduate wings. It is estimated that the work will provide 240-260 additional spaces for undergraduates thereby serving to reduce the number of triple rooms required to handle the total occupancy for fall, 1977. Also, it is planned to discontinue the availability of guaranteed single rooms.

The Board Office stated that relative to total enrollment, Iowa State University and the University of Northern Iowa have a larger percentage of total enrollment housed in their facilities than does the State University of Iowa. With respect to enrollment by academic level, in 1976 a higher proportion of upper classmen and men were living in residence halls at Iowa State University and the University of Northern Iowa than at the State University of Iowa as in 1975. At Iowa State University there was a rather substantial increase in the proportion of men at the freshmen and sophomore level occupying residence halls. While total enrollment at Iowa State University changed by 626, residence hall occupancy changed by 229. Occupancy by Iowa State University upper classmen continued to increase at the junior level while declining at the senior level. The proportion of lower level occupancy at both the State University of Iowa and the University of Northern Iowa may be attributed to parietal rules. However, freshmen occupancy at Iowa State University remains at a relatively high proportion of enrollment, not much below the proportion at the other two institutions.

Dormitory and Dining Service Operations

The Board Office stated that based on the 1976-77 estimates, revenues will just cover operating expenditures, debt service, university overhead and the

net needed for reserve funds at Iowa State University and the University of Northern Iowa. State University of Iowa revenue and expenditure estimates for 1976-77 project a sizable increase in net after debt service. In comparing 1975-76 to 1974-75, only the University of Northern Iowa, for a third year, did not generate enough net return to equal the amount needed for reserve funds. It was reported that general inflation is expected to increase at approximately the 6% to 7% rate. Also, salary increases for professional and merit system employees increase the cost of operation in the residence hall system. Wages and salaries during 1975-76 accounted for 26.9% of operating revenue at the State University of Iowa, 26.9% at Iowa State University, and 36.3% at the University of Northern Iowa.

Analysis of Operations

The Board Office reported that revenue figures for dormitory, married student housing and contract dining service used in the analysis of operations represent operating revenues only. Income derived from investments was not included since it was not earned as a result of operations. The expenditures for each of the above categories are distributed among the various cost centers. Expenditures from the improvement and surplus funds for renovation and replacement were also included since they serve much the same function as expenditures for repairs and maintenance from operations.

Revenues per occupant in the dormitory system during 1975-76 compared to 1974-75 increased at Iowa State University and declined at the State University of Iowa and the University of Northern Iowa. The monthly revenues per married student housing unit were up at the State University of Iowa and Iowa State University and down at the University of Northern Iowa in 1975-76 over 1974-75. Revenues per meal increased at the State University of Iowa and the University of Northern Iowa while falling at Iowa State University in 1975-76.

At Iowa State University and the University of Northern Iowa, salaries and wages represented the largest expenditure in dollar terms and on a per student basis. At the State University of Iowa, it was exceeded only by the expenditure on utilities. On a per student basis, the increase amounted to 11.7% at Iowa State University, 9.3% at the University of Northern Iowa, and -1.3% at the State University of Iowa. In dollar terms, the three dormitory systems spent the following amounts on salaries and wages in 1975-76.

State University of Iowa	\$ 838,021
Iowa State University	\$1,130,822
University of Northern Iowa	\$ 969,136

The amount expended on salaries and wages for married student housing is negligible. The cost of labor per contract meal increased in 1975-76 by 6.5¢ at the State University of Iowa but remained the same at Iowa State University and the University of Northern Iowa over 1974-75.

Net Operating Revenues Relative to Usage

The Board Office reported that with the exception of the University of Northern Iowa, the State University of Iowa and Iowa State University have been able to increase the amount in their surplus funds during 1975-76. The board noted that the surplus fund has once again been depleted by approximately \$350,000 at the University of Northern Iowa over the last

three years since total revenues were insufficient to meet debt service and reserve fund requirements.

The Board Office reported that the debt service and reserve fund requirements are established by a bond covenant and must be budgeted annually. The fixed charges for debt service and reserve fund are the largest at the University of Iowa where they were \$284 per occupant in 1975-76. At Iowa State University the costs per occupant was \$183, the lowest of the three universities. Director of Residence Charles Frederiksen, Iowa State University, commented that the low occupancy cost at Iowa State University was not due to the larger proportion of construction expense for dormitories built in the 1960's coming from surplus funds rather than bonding, as the Board Office indicated. He stated there were no dormitories built at Iowa State University from surplus funds. Bonding covered all those dormitories. The per occupant cost at the University of Northern Iowa in 1975-76 was \$213.

In summary, the Board Office reported that on the basis of the reports furnished by each of the university residence systems, and considering the status of revenues and expenses reported on the quarterly statement as of December 31, 1976, it would appear that sufficient revenues will be available for 1976-77 to meet the expenditures for operations, debt service, university overhead, and reserve fund requirements. In view of the rising cost of materials and the expense of labor, each of the universities submitted proposed rate revisions for 1977-78. Those proposed rate revisions are found under each of the respective institutional sections of these minutes.

In absence of objections, President Petersen accepted the annual report on the residence systems of the three universities for the board.

BOARD OFFICE PERSONNEL REGISTER. The following action was presented the board for approval on the January Board Office Personnel Register:

Appointment:

Jo Ellen McGrane, Clerk-Typist III, on a 60-day emergency basis, \$3.90 per hour for a 30-hour week, effective on January 10, 1977.

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

President Petersen asked board members and institutional executives if there were additional matters to be discussed pertaining to general or miscellaneous items.

RESOLUTION -- ATHLETIC COUNCILS, IOWA STATE UNIVERSITY, UNIVERSITY OF IOWA. Regent Baldrige reported that the board and both the State University of Iowa and Iowa State University are receiving a lot of adverse comment relative to the announced football arrangements for the renewal of the series between the two schools. He noted, at the same time, that neither the Board of Regents nor those writing the letters can be aware of all

the NCAA rules, Big 10 rules, Big 8 rules, television procedures, and revenue factors which are extremely important to the athletic programs and the universities. He stated football receipts must support a wide range of athletic competition important to students, both men and women. With women's sports coming up, the problem has been accentuated. He said that he hoped a policy could evolve as a result of a review that will be fair to the players, the students, and the public. He reported that, finally, if the board supported the resolution he was proposing, that it should be supported on the basis that the board expects the review to be productive.

Regent Baldrige said he was not suggesting that the two athletic boards involved have a joint meeting. He noted he did want each board to consider this whole matter again.

MOTION:

Mr. Baldrige moved that the Board of Regents, by resolution, encourage the athletic councils at the University of Iowa and Iowa State University to review the scheduling, ticket allocations and other factors involved with the renewal of football competition next fall. Mr. Shaw seconded the motion.

Regent Shaw noted that it should be clear that the two athletic councils are independent agencies. He stated that they are free to come to their own determinations on these matters. He said that the motion before the board would attempt to get people to appreciate the problems on both sides of the issue.

Regent Baldrige reported that there are many technical aspects involved with the scheduling of football games, etc. that he is not aware of. He said he realizes that the situation has changed with the opening of the new Iowa State University Stadium. Regent Baldrige commented that the board members have received a considerable amount of mail indicating that this is an emotional problem.

Regent Shaw commented that he had noticed this past fall that the University of Iowa and Iowa State University seemed to be playing their football games at home at the same time. This, he noted, does not promote the "joint audience" idea. Regent Shaw reported he did some research with respect to game scheduling in other states as well as in Iowa.

Regent Zumbach noted that he has the distinction of being a graduate from both Iowa State University and the University of Iowa and added that he has close friends from both institutions. He expressed hope that there can be some type of harmonious resolution to the matter so that the fine relationship existing between the two institutions can continue.

President Boyd commented that the board must not overlook the tremendous impact of women's athletics in respect to scheduling for men's athletic events. He said schedules must not be made simply for men. He suggested that factor be considered by the athletic councils.

Regent Collison raised discussion about Senate File 72 which provides for an advisory committee to be appointed to assist and consult with the State Arts Council in selecting fine arts elements to be used in new state buildings. Such a fine arts element should in no case be less than 1% of the total estimated cost of such building. This percentage allocation shall not be diminished by professional fees. The Board Office's position is that the bill is under study with some concerns over the further diminution of construction funds by an addition of this fine arts element. It was noted that none of the new buildings in the Board of Regents 1977-79 capital askings has specifically set aside 1% for a fine arts element. Regent Collison said she doesn't feel the board should be "narrow" about this kind of advisory committee. She said the board should not be throwing a stumbling block into the efforts of the State Arts Council. She said Iowa has living and deceased artists who need visibility and this might be the way of doing it.

Mr. Richey commented in response to Regent Collison by saying 1% of the total estimated cost of such buildings for the fine arts element causes him some concern due to the level of funds available for capital improvement in the Regents' institutions. President Boyd said he does not recommend a static 1% be set aside for arts but encouraged that the arts be considered when appropriations are provided. He added that building aesthetics are always considered in construction.

Mr. Richey called the board's attention to House File 53. He said the bill requires, among other things, that every person appointed by the Governor to a state board or department shall file a statement of interests with the secretary of state simultaneously with announcement of appointment. This statement of interest shall include an identification of the principal source of income of both the candidate and the candidate's spouse, the name of each business or trust in which the person making the statement and the spouse have a financial interest, a list of the associations with or which either serves as a director or officer and which may be affected by the candidate or appointee in the person's capacity as an officeholder. Also, the identity by name of all business offices, business directorships and fiduciary relationships the person and the spouse have held during the preceding calendar year. This statement is required to be prescribed by the Attorney General and filed with the Secretary of State. Violation would result in the person being removed from office. The act would be effective January 1, 1978 and would apply to all persons seeking office or appointed to office thereafter. Mr. Richey added that there is no dollar figure included in the House File.

Regent Bailey, with reference to House File 53, said he feels that the legislature should seriously consider such a requirement. Regent Slife, however, said he does not feel the board should have a position on it.

House File 64 was discussed next. The Board Office noted that this bill requires state agencies to develop and implement plans for offering employment

to persons on a part-time career employment basis. Beginning July 1, 1978 at least 2% of the positions in each class in each agency must be offered on a part-time career employment basis. This percentage minimum is gradually increased each year so that by 1982 at least 10% of the positions in each class in each agency are available for part-time career employment. The Board Office currently has this bill under study but expressed some concerns over problems in administering this program and a potential diminution in services provided by the rather strict limits established within the bill for part-time employee quotas. The bill could also create some administrative problems and certainly would represent a diminution in administrative power to control an agency situation by virtue of work-load through employing both part-time and full-time employees.

In response to the Board Office comments, Regent Baldrige also recommended that House File 64 should be studied further but said he feels that it probably should be opposed because it could be impossible administratively. He said 2% in each class in each agency seems to be an impossible type situation to grant part-time jobs. Regent Collison expressed favor with the bill although it did not diminish the problems it could cause administratively. She said it has positive benefits for the overall operation of many projects that have been initiated. She said a person working at full capacity on a part-time basis gives to that project peak level performance. Regent Collison said while she was not in total favor of imposing a specific quota figure, this, however, would be an effort to get something started.

President Petersen noted that the concerns of the board will be expressed to the legislature regarding House File 64.

Regent Collison asked what the proposed college education program for law enforcement officers proposed by House File 143 would entail. The bill states that officers hired after September 1, 1978 must participate in the program. Mr. Richey said Mr. Barak will get the answer to that question and report back to the board at a later date.

I. Recommendations for Action on the Proposed Amendments to the Public Employment Relations Act. The board was presented recommendations for action on the proposed amendments to the Public Employment Relations Act. Mr. Richey added that there are other issues in terms of the proposal for certain amendments that aren't specifically addressed in the memo before the board. For example, the board might want to add some amendments at appropriate times during the legislative process that would address the Board of Regents' institutions and responsibilities specifically.

President Petersen commented that the board and Board Office must keep a very close working relationship with its legislative liaisons in this matter. Mr. Richey concurred. He added that the board's basic position with respect to the proposed amendments is that it doesn't want the Public Employment Relations Act changed. The board's basic position recommends no additional amendments this year.

Mr. Richey said there have been some questions and differences of opinion regarding Section 24 which relates to retroactivity. This provision would permit a voluntary agreement or an arbitrator's award to be made retroactive. This change proposed by the Public Employment Relations Board was apparently intended to complement the board's recommendation in the area of impasse timing. Furthermore, it should promote voluntary

settlements since it does not penalize the union for negotiating beyond rigid time constraints. The executive secretary noted that the Board Office recommended no position on this but said the board members may want to express differing views. President Petersen noted that this change in the law that is proposed would make retroactive pay permissible. Regent Slife recommended the board oppose this except under terms of voluntary agreement.

President Petersen said consensus of the board was to oppose Section 24 except for voluntary agreement to make it retroactive. Mr. Richey suggested the wording be changed to read, "This provision would permit a voluntary agreement to be made retroactive." This would delete the words "or an arbitrator's award" from the initial wording. Regent Shaw agreed that the wording as now revised by Mr. Richey would be acceptable. Regent Brownlee stressed that flexibility be included on some of the technical points that may arise in the amendments. President Petersen said that flexibility will be included.

J. Road Financing. The board was requested to: 1) go on record requesting that, if the legislature takes action to increase the funds available for the road use fund, the State Park and Institutional Road Fund share proportionately in this increase; 2) that the amount of the increase either be from an increase in the set dollar amount from the \$1.4 million or a switch to a floating amount effective through use of a percentage approach for institutional road funding with that percentage coming either from the top of the road use fund or from the top of the primary road fund portion of the road use tax fund; 3) take the position that no additional agencies be added to the State Park and Institutional Road Fund until such time as those agencies have had a need study conducted by the Department of Transportation.

The following information was presented the board by the Board Office:

A Legislative Study Committee has been studying the issue of road funding during the interim. Among the recommendations is one which would increase the gasoline tax from 7¢ to 10¢. This 3¢ increase would yield about \$50 million more for the road use fund annually. The recommendation does not include any increase in funding for institutional roads. There has been discussion in the study committee of two different approaches for institutional roads, one of which states that the committee recommended switching the funding from directly off the top of the road use fund to directly off the top of the primary road fund, but keeps the annual level of funding at \$1.4 million. The other report is that the shifted funding would occur to the primary road fund without any dollar amount provided. Under that approach institutional roads would have to make application to be considered along with all other primary needs for funding.

The other recommendation which comes from the Department of Public Instruction and which has already been introduced as a House bill is to add area schools as a user agency in institutional road funding. Area schools estimate that their needs would be about \$500,000 annually. There has been no needs study conducted by the Department of Transportation on area school roads to our knowledge.

The Board of Regents' institutions have about \$500,000 annually to allocate to institutional road needs. About \$375,000 is allocated for construction costs, about \$73,000 for maintenance program, and the remaining \$52,000 annually for design and inspection. For the past several years this amount has been found to be most inadequate to meet the institutional roads needs of the Board of Regents' institutions. This is due primarily to two factors: 1) The funding level of \$1.4 million for institutional roads is probably too low to meet the needs of the institutions; and 2) the rate of inflation since the last increase in 1972 has virtually eaten up the expected relief from that increase. DOT figures show that road construction costs increased some 68% during the period of June 1972 to June 1975.

The primary road fund is made up of three sources of funds: The road use tax, federal aid, and miscellaneous funding, including for several years allocations from the federal government of funds impounded by the Nixon administration which later were ordered to be released by the Supreme Court. From the road use tax comes, according to the current year's estimate, about \$130 million. In addition some \$91 million comes in annually in federal aid and there is about \$25 million annually in the miscellaneous category. Any growth over the next five years, however, comes almost exclusively from road use tax receipts. The road use tax is projected to yield an annual average increase of 4.5% over the next few years. That level of increase is not sufficient to overcome the ravages of inflation, so actually a little less gets accomplished each year.

The latest five-year program of the Board of Regents shows that some 30.2% of the Board of Regents' construction needs can be programmed currently during that five-year period. This percentage has declined from 35% a few years ago down to its current level; but in addition to this actual decline we had to adopt usage of several unfortunate methods to cope with the static nature of this fund. The board is familiar with most of the ways in which we have adapted our needs to this fund.

We believe strongly that if the allocation of funds from the primary road fund increases through legislative action, the institutional road fund shares in any such increase so that the deficit in both primary and institutional roads can be met simultaneously. We have discussed this entire issue with the Institutional Roads Committee and briefly with the other agencies involved in the institutional road fund. The consensus of both groups favors this recommendation.

In line with this recommendation to have the institutional road fund share in any increase in funding, there appear to be two means open to accomplish this end. They would be: 1) Whatever level the amount projected to go into the primary road fund from the road use tax increases, the institutional road fund would share proportionately in that increase. In other words, if the revenue for the primary road fund from state sources increased by 10%, the institutional road fund also would increase 10% or \$140,000 annually. This of course assumes that no agencies were added to the fund, as that is a separate issue addressed later in this memorandum. 2) The other method would be to change from the annual standing appropriation for institutional roads to a so-called "fair share" percentage of the road use tax fund or of the primary road fund which would be dedicated to meet institutional road needs.

The Board Office recommended that, were this approach used, the institutional road fund receive minimally either six-tenths of one percent annual allocation of the road use tax fund, which translates to approximately \$1.5 million for the fund based on current estimates for 1978, or have the institutional road fund receive a 1.25% annual allocation of the road use tax receipts for the primary road fund annually. This would yield approximately \$1.5 million for 1978 and would increase to \$1.7 million by 1981. The Board Office reported that it appears that this approach has the distinct advantage of institutional roads sharing in the ebb and flow of the road use receipts, rather than being stuck with a static figure for funding which, when those receipts dip, detract from the Department of Transportation being able to meet other primary road needs. When those figures increase, it detracts from the board's ability to meet its needs because of inflation while the Department of Transportation is able to meet other primary road needs at a faster rate than those of institutional roads. This so-called percentage approach would have to be re-examined to determine the exact percentage to be included once the level of increase in the primary road fund through legislative action is determined. However, the Board Office expressed the desire to have the flexibility to introduce this as a legislative proposal to try to get the fund established on a percentage basis, even if there is no increase in the road financing during this session of the legislature.

The other issue involved this session is the one on inclusion of area school roads and parking facilities in the State Park and Institutional Road Fund. First of all, none of the current agencies has parking facilities funded from the institutional road fund; therefore, we find it curious why area schools should have their parking facilities included in such a fund. Second, there is a non-state source of funding for construction at area schools, through a property tax levy; whereas all other user agencies have to depend upon this institutional road fund for sole funding of institutional roads. Third, the area schools have estimated that their need for institutional roads is approximately \$500,000 a year. This is the same amount as the Board of Regents currently receives for institutional roads. This figure for the area schools has been put together by them without the benefit of a need study being conducted by the Department of Transportation. We would ask that the Department of Transportation conduct such a need study for area schools and, until such a study is conducted, that area schools not be added into the institutional road fund.

NOTION:

Mr. Brownlee moved the board: 1) go on record requesting that, if the legislature takes action to increase the funds available for the road use fund, the State Park and Institutional Road Fund share proportionately in this increase; 2) that the amount of the increase either be from an increase in the set dollar amount from the \$1.4 million or a switch to a floating amount effective through use of a percentage approach for institutional road funding with that percentage coming either from the top of the road use fund or from the top of the primary road fund portion of the road use tax fund; 3) take the position that no additional agencies be added

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Friday, February 18, 1977.

DORMITORY RATES. The Board Office recommended the board approve the increase in residence system rates for 1977-78 as recommended by the University of Iowa. The increase for a double occupancy room with full board for an unmarried student would be \$82.00, making the rate \$1,386 for the academic year. The increased rates would be effective June 1, 1977.

The Board Office reported that the estimated income and expenses for 1976-77 seems reasonable based on the actual first half figures and past experience. The reliability of the 1976-77 estimate is important because these figures are used as the base for determining the 1977-78 estimated budget. The estimated expenses for 1977-78 of \$9,017,000 over the estimate for 1976-77 of \$8,218,260 represents a 9.7% increase. The 1977-78 revenue from operations of \$11,192,000 including the proposed rate increase is 6.2% above the 1976-77 revenue estimate of \$10,535,914. The estimate of next year's expenses agrees with those presented to the board by both Iowa State University and the University of Northern Iowa.

It was further noted by the Board Office that all three universities had residence system rate increases in 1976-77; therefore, the overall percentage change in the proposed 1977-78 residence system rates are markedly similar. The resultant rates for a double occupancy room with full board at the University of Iowa for 1977-78 will remain \$218 above the rate at the University of Northern Iowa but will move down slightly to \$201 above the rate at Iowa State University.

President Boyd introduced Vice President Philip Hubbard, Student Services; Director of Resident Services Mitchell Livingston; and student government representatives Benita Dilley and Larry Kutcher who were present for discussion purposes.

President Petersen called the board's attention to a resolution passed unanimously by the Student Senate of the University of Iowa urging the board to endeavor to uphold its basic policy of the best education at the lowest possible cost to the student and also urged the board to carefully consider the proposed increase in residence hall rates in order to minimize the overall financial burden of the university students.

Director Livingston noted that negotiations with the residence hall association, student government bodies, etc. went on for two and a half weeks prior to the proposed 1977-78 dormitory-dining rates. He noted that the student government endorsed the proposal.

Regent Baldrige reported that he considered the resolution presented the board to be a very fine statement and assured students that the basic policy for the best possible education at the lowest possible costs will certainly continue to be the policy of the Board of Regents.

Mr. Kutcher reported that students at the university sense the squeeze on middle income students and with the proposed rate schedule it will be even worse. He commented that students already pay for university overhead through tuition. He said a new administrative office was created to promote efficiency but he asked where the efficiency is reflected in respect to students. Mr. Kutcher added that the 10% tuition increase is yet another burden for students' parents and students themselves. Mr. Kutcher commented that he has attended several Board of Regents meetings in his capacity in representing the Student Government and said that on behalf of himself, his colleagues, and students of the University of Iowa, that he appreciated the board's concern and cooperation. He noted that the terms of three board members will soon be over and he commended them for their fine service and the high degree of integrity they have demonstrated. He expressed hope that the Board of Regents will continue to be as receptive to the needs of students in the future as it is now.

President Petersen expressed the appreciation of the board to students on the three Regents' university campuses for their cooperation and understanding of the problems the board is faced with. She also thanked the students for helping the board as it endeavored to articulate its needs to the legislature and to the general public.

Regent Collison commended the University of Iowa on doing a good job of allocating housing units and for making reasonable limits, making the temporary situation as brief as possible. She stressed the importance of comfortable living conditions for students so they can accomplish their academic purpose in coming to a university.

Regent Shaw said the university should be congratulated for its living conditions for students and added that there is no reason why life in dormitories has to be considered secondary to other living quarters. Even though there may be some mandatory aspects involved in dormitory living, he said he doesn't feel there is anything particularly undesirable about it at all.

President Boyd said he feels that every effort has been made at the University of Iowa to hold costs down. He reported that when special needs requests were presented to the legislature last week, it was noted that the number one priority for the university is financial aid. The legislature was informed of the residence hall increase as well as the tuition increase. President Petersen also emphasized the need for student aid and said she hoped the legislature would leave that request in for funding. President Boyd said that underlying the whole situation is the quality of education and emphasized that no one wants the quality of education "watered down."

MOTION:

Mr. Bailey moved the board approve the increase in residence system rates for 1977-78 as recommended by the University of Iowa. The increase for a double occupancy room with full board for an unmarried student would be \$82.00, making the rate \$1,386 for the academic year. The increased rates are to be effective June 1, 1977. Mr. Brownlee seconded the motion and it passed unanimously.

REGISTER OF PERSONNEL CHANGES. The board was requested to ratify the actions reported in the Register Changes for the University of Iowa.

In absence of objections, President Petersen ratified the Register of Personnel Changes for the board.

FACULTY DEVELOPMENTAL ASSIGNMENT REPORTS 1975-76. The board was requested to accept the report of the University of Iowa on faculty development assignments (leaves) for 1975-76.

The Board Office reported that 38 leaves were originally requested and approved while reports on only 33 were included in the university's report. The explanation provided was that four faculty declined their research assignments and one faculty member passed away during the time of his leave.

MOTION: Mr. Bailey moved the board accept the report of the University of Iowa on faculty development assignments (leaves) for 1975-76. Mrs. Collison seconded the motion and it passed unanimously.

Regent Collison asked for clarification as to why four faculty members declined their research assignments. Vice President Brodbeck reported that those faculty members accepted other financial awards, instead.

FACULTY DEVELOPMENT ASSIGNMENTS, 1977-78. The board was requested to approve the faculty development assignments for the 1977-78 academic year as proposed by the University of Iowa.

The university requested approval of faculty development assignments (leaves) for 96 faculty members for the 1977-78 academic year. It was estimated that the net replacement costs will be approximately \$68,800.

The Board Office reported that the university has made a major commitment to faculty development assignments as a means of both attracting and retaining quality faculty, as well as a means to intellectually revitalize and stimulate its faculty. As a consequence, there has been a dramatic increase in the number of assignments over the last few years.

MOTION: Mr. Baldrige moved the board approve the faculty development assignments for the 1977-78 academic year as proposed by the University of Iowa. Mrs. Collison seconded the motion.

Regent Baldrige said he feels that granting development assignments to the faculty is one of the most important things the board does. He stressed the necessity of faculty development.

VOTE ON MOTION: The motion passed unanimously.

SPECIAL SECURITY OFFICER. The board was requested to approve the commissioning of Linda A. Crock as permanent special security officer.

The university reported that Ms. Crock has been a full-time member of the Department of Security and Parking since July 19, 1976. She has been previously employed by the Iowa City Police Department. She completed the Iowa Law Enforcement Academy six-week basic recruit course on February 11, 1977.

MOTION: Mr. Baldrige moved the board approve the commissioning of Linda A. Crock as permanent special security officer at the University of Iowa. Mrs. Collison seconded the motion and it passed unanimously.

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

The following construction contract awards were recommended for ratification by the board. Awards were made by the executive secretary.

Kinnick Stadium Repairs -- South Bleachers

Award to: Schoff Construction Company, Lisbon, Iowa \$103,973

Oakdale Campus Heating Plant -- Environmental Deficiencies--Contract #3--Economizer

Award to: Zurn Industries, Inc., Erie, Pennsylvania \$ 32,190

The following construction contract awards were recommended for approval:

Finkbine Commuter Bikeway

Award to: Iowa Department of Transportation \$ 66,500

The Board Office reported that the university submitted an exhibit which noted that the city of Iowa City, Coralville, and the University of Iowa are the joint recipients of a demonstration grant from the Federal Highway Commission for funds to construct a commuter bikeway to run from First Avenue in Coralville to the recreation building on the university campus. This bikeway will run along the south edge of Lower Finkbine Golf Course and will be totally on university property. It has been determined that since university property is involved, the university should be the local agency to deal with the Iowa Department of Transportation, which will administer the grant from the federal government.

Total cost of the project is estimated to be \$66,500 of which 80% is to be funded by the federal government and the remaining 20% is to be funded by a combination of sources including Project Green in Iowa City, the University of Iowa (\$2,000), Coralville, and the city of Iowa City.

Oakdale Campus Heating Plant Environmental Deficiencies, Contract 1

Award to: Enviro-Systems & Research (Belco), Roanoke, Virginia \$138,342

On Contract #1 which is the Fabric Filter Dust Collector, eight bids were received. As the university notes in its exhibit, the evaluation of these bids was complicated by the variety of dust collectors available. The engineer on the project evaluated the bids by comparing the

total cost to the university after the cost of common general construction items were added to the bid price. These costs are expected to be included in the general construction contract to be let at a later date and should be considered in the evaluation of the dust collector bids.

The award is recommended to the third lowest bidder in terms of initial bid price, but to the lowest bidder when total comparative cost is considered. Award is recommended to: Enviro-Systems & Research (Belco), Roanoke, Virginia -- Base bid of \$138,342.00. The comparative bid analysis is included in the university docket exhibit. It shows that the total comparative cost of the Enviro-Systems bid is some \$10,000 less than that of the other two base bids in contention for the award, and it is on that basis that the recommendation is made.

Oakdale Campus Heating Plant Environmental Deficiencies, Contract 2

On Contract #2, which is for an Induced Draft Fan, plans and specifications were sent to seven prospective bidders. Only one bid was actually received and this bid was not read because the Form of Bid was not signed as required by the specifications. A cover letter signed by the sales engineer for the firm contained a price and an abbreviated outline of what the company proposed to furnish. This was attached to the bid. The university recommendation is to reject this bid and to solicit quotations for this item on a purchase order basis. It is believed that qualified companies will be willing to submit quotations at favorable prices if they are not required to go through the formal public bidding process, and in that way, the university believes it will be able to purchase this piece of equipment at a price corresponding to the engineer's estimate of \$24,000.

The following new projects were recommended for approval:

<u>Dental Science Building "A" -- Basement Storage Space</u>	<u>\$40,500</u>
Source of Funds: University RR&A	\$16,000
Dentistry Building Repairs and Improvements	\$24,500
<u>Law Center -- Remodel Court Room (for classroom facilities)</u>	<u>\$16,170</u>
Source of Funds: University RR&A	\$13,800
Law School Legal Institute	\$ 2,370
<u>University Hospitals--Radiology Film Management Offices Remodeling</u>	
Source of Funds: University Hospital Building Usage Fund	<u>\$20,500</u>
<u>Carver Pavilion, Access Roads and Parking Ramp No. 2 Site Development</u>	<u>\$252,770</u>
Source of Funds: Roy J. Carver Pavilion Budget	\$ 95,800
Hospital Parking Ramp No. 2 Budget	114,970
University Hospital Access Roadways	42,000
<u>University Hospitals--First Floor Fire Sprinkler System Improvements</u>	
Source of Funds: University Hospitals Building Usage Funds	<u>\$ 18,700</u>

MOTION:

Mr. Bailey moved the board approve the Register of Capital Improvement Business Transactions for the month of February 1977; ratify the contract awards made by the executive secretary; approve the contract with the Iowa Department of Transportation for engineering services for Finkbine Commuter Bikeway; award Contract No. 1 of the Oakdale Campus Heating Plant Environmental Deficiencies Project as recommended; reject the bid on Contract No. 2 of the Oakdale Campus Heating Plant Environmental Deficiencies Project, and authorize the university to solicit quotations for this item on a purchase order basis; approve the new projects; and authorized the executive secretary to sign all necessary documents. Mr. Baldrige seconded the motion and it passed unanimously.

SIDWELL BUILDING RAZING. The board was requested to approve the razing of the Sidwell Building.

The university reported that the Sidwell Building, a former creamery, stands on the site of the proposed Lindquist Center for Measurement, Phase II. The building was constructed in 1910 and contains 10,022 gross square feet. Present occupants will be relocated.

MOTION:

Mr. Baldrige moved the board approve the razing of the Sidwell Building. Mr. Zumbach seconded the motion and it passed unanimously.

DORMITORY FUND TRANSFER. The board was requested to approve a transfer of \$150,000 to the Dormitory Improvement Fund from the Dormitory Surplus Fund.

The Board Office noted that the proposed transfer of \$150,000 from the Dormitory Surplus Fund to the Dormitory Improvement Fund is in addition to a mandatory amount of \$480,000 per year as set forth in the 1963 bond resolution. The mandatory amount does not provide for additional dormitory plant expansion or the inflation that has been experienced since 1963. The Board Office stated that considering the additional dormitory units which includes Slater, Rienow and Hawkeye Court Apartments, and the inflationary cost increases, it was appropriate to transfer additional funds to the improvement fund balance.

The board was informed that the transfers into the improvement fund prior to 1973-74 were below the \$480,000 level because the bond resolution required the amount of \$480,000 be transferred to reserve funds for debt service and plant improvement until the reserve fund reached an established level, which has now been accomplished. The transfer for 1976-77 in the amount of \$630,000 is the sum of the mandatory \$480,000 transfer and the additional proposed transfer of \$150,000.

MOTION:

Mrs. Collison moved the board approve a transfer of \$150,000 to the Dormitory Improvement Fund from the Dormitory Surplus Fund at the University of Iowa. Mr. Bailey seconded the motion and it passed unanimously.

HAWKEYE PARK HOUSING AREA. The Board Office reported that the University of Iowa was proposing to construct 50 units in the Hawkeye Apartment area. Project completion is planned to permit occupancy for the fall semester, 1977. The total cost of the project is estimated to be \$497,000, or approximately \$10,000 per unit. The units themselves could be classified as "trailer-type" and the cost per unit is estimated to be about \$5,500 per unit. According to the university's docket item, the source of funds would be primarily a loan from the University of Iowa Foundation, supplemented by funds from the Dormitory Surplus Fund and Treasurers Temporary Investments.

The Board Office recommended that action be deferred on this item for two reasons: 1) the lateness of receiving this docket item in the Board Office, and 2) a number of unanswered questions relating to the project.

Questions raised were as follows:

- What type of unit is being proposed?
- Is there a competitive market for this type of unit, and if so, how competitive?
- What is the useful life of the unit involved, and correspondingly, what annual maintenance costs are assumed to keep this unit through the useful life?
- What monthly rent is proposed to be charged for the unit?
- What is the relationship and cost of funds provided to the dormitory system funds?
- Has the university investigated other alternatives, such as modular housing of the type that is under construction at Iowa State University?
- The university noted that it already has a prototype on hand of the type of unit involved which was purchased from a gift intended for that purpose. What has been the experience with that unit? What has been the acceptability level of persons who have occupied that unit?
- What future plans does the university have relative to construction of this type of unit?

President Boyd reported that this issue is of extraordinary significance to the University of Iowa. He said it is virtually impossible to find low cost housing. He reported that the university's proposal reflected about a year and a half's deliberation on this issue.

Vice President Jennings apologized to Mr. Richey for the lateness of this docket item arriving in the Board Office. He reported, however, that

the university faces somewhat of a timing problem to install these units by the fall semester.

In view of the fact that there was no institutional material included in the docket material due to an omission by the Board Office, President Petersen requested Vice President Jennings orally present the university's proposal.

Vice President Jennings said during the past 33 years the University of Iowa has had a waiting list for married student housing. The university has found that 50 to 75 of the requests for married student housing are not satisfied in the community and students, therefore, do not show up at the university. That is where the university got its estimate of demand for 50 units.

In order to satisfy the demand for married student housing, the university looked at a variety of alternatives which basically seemed to take three feasible alternatives given the financial structure. He said the proposal is for trailer units which are very inexpensive. He then passed around pictures of the proposed units for board members' perusal. He explained that the reason for the low cost per unit (\$5,500) is due to the fact that it was proposed that they be stripped down modular type housing units. By "stripped down" he explained they would not have many of the wall coverings or the movable walls in the typical modular trailer-type house. Vice President Jennings said the primary complaints received from the university people living in the experimental units last fall were that in wind conditions it was noted to be poorly insulated. The proposal now before the board, however, would provide an increase of 33% in insulation materials. Also, the proposal would rectify the high wind conditions feared by those in the experimental units as anchors would be provided to withstand winds up to 100 miles per hour.

Vice President Jennings reported that another type of modular type unit was also looked into which had movable walls, nicer looking exterior, and higher quality fixtures but that type unit was rejected basically on the basis of cost. It provided roughly the same amount of living space and while it would have looked nicer, in discussions with students, it was concluded they would not be willing to pay the extra \$20 per month for the aesthetic appearance.

Vice President Jennings commented that the university also had a consultant from Minnesota look at various alternatives for low cost housing at the university. He came forth with a proposal for cabin-type units. There would be 550 square feet in such units. Unfortunately, however, the cost of this unit would be \$19,760, or roughly, double the cost of the university's proposed units. The rent for the cabin-type units would need to be \$185 to \$190 a month. Vice President Jennings said the university does not want the risk of building a lot of debt into the dormitory system.

The students, Vice President Jennings stated, feel that the proposed trailer units would be adequate and that the lower rental would be satisfactory. Rental will be somewhere between \$125 and \$135 a month which compares very favorably to the existing Hawkeye Court Apartment rent costs. Included in the rental charge is approximately \$40 per month for maintenance of the units.

Mr. Richey asked Vice President Jennings if the rent proposed to be charged for the trailer-type units would include utility cost. Mr. Jennings responded negatively by adding that would involve an additional \$10 to \$15 per month. He reminded the board that the units are very compact and the additional insulation recommended would keep heating costs down.

Mr. Richey said he feels the proposed \$40 for maintenance seems high. Vice President Jennings said that possibly that figure could be cut to \$30 per month. He reported, however, that some trailer courts put trailers only five to eight feet apart whereas the proposal before the board would give trailer tenants 20 to 25 feet of yard space which does run up maintenance charges. It just involves that much more area to take care of.

With respect to a loan for the proposal, Mr. Jennings reported that two weeks ago the university requested authority from the State University of Iowa Foundation's Executive Board to borrow \$400,000 on a ten-year pay back basis. The university instructions were to work out the details with attorneys. The loan would be subordinated to the debt in the dormitory system. President Petersen asked if this proposal, then, would have a lower priority than some other projects under debt service. Vice President Jennings responded affirmatively. He commented that the university considered using surplus fund money but that fund is not now at a high level and this project would completely wipe out the surplus fund. Vice President Jennings reported that probably 6%, 6 3/4 %, or 7% interest would be charged.

MOTION:

Mr. Bailey moved the board give preliminary approval to this project and authorize the university to proceed. Mr. Brownlee seconded the motion.

Regent Collison expressed her doubts about creating another pool of sub-standard housing in ten years at the university. She said she feels the units seem too cheap to her and added she feels it is unreasonable to expect students to live in them. She questioned whether these units would be terminated in ten years. Mr. Jennings responded that given what we now know about enrollments, they would be. President Boyd stated that the problem has no good solution. There is accessibility to the university involved in providing housing that students can afford. President Boyd said he wanted to pull out of this at the end of ten years or earlier, if possible.

Mr. Richey asked Vice President Jennings if the university had competition for these units. Mr. Jennings reported that the university has had several large housing manufacturers expressing interest. He added that specifications will be open to more than one manufacturer. He also assured the board that the university will not award a purchase order or a contract without prior board approval.

The board's bond consultant, Paul D. Speer, of Paul D. Speer & Associates, Inc., as reported by Vice President Jennings, has given his approval to the method of funding proposed by the university.

VOTE ON MOTION:

The motion passed unanimously.

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Friday, February 18, 1977.

RESIDENCE DEPARTMENT RATE INCREASES FOR 1977-78. The board was requested to approve the dormitory-dining rate increase as recommended by Iowa State University for fall 1977-78. The increase for a double occupancy room with full board for an unmarried student would be \$90.00, making the rate \$1,185 for the academic year. The increased rates are to be effective June 1, 1977. The board was also requested to approve the married-single student apartment rate increases to be effective July 1, 1977.

The Board Office noted that analysis of figures indicated that the estimated income and expenses for 1976-77 seem reasonable based on the actual first half figures and past experiences. In fact, the board noted that while first half revenues for 1976-77 are slightly up and expenses down, the portion of annual net cash income earned in the first half is significantly ahead of the previous year. The 1976-77 earned income of \$1,365,489 is 51.6% larger than the amount of earned income reported for the first half of 1975-76. The reliability of the 1976-77 full year estimate is quite important because these figures are used as a base in determining the 1977-78 residence system budget. The projected 1977-78 revenues from operations including the proposed rate increases are \$13,615,750 or a 9.8% increase over the 1976-77 estimate. Expenditures for operations are estimated to amount to \$10,106,000 in 1977-78 which represents approximately a 7.7% increase over 1976-77.

Regent Collison noted that the costs are remaining stable with respect to married student housing. She raised questions pertaining to the Pammel Court units. Director of Residence Charles Frederiksen reported that 528 units are available for occupancy at Pammel Court although they have not been completely filled for the past two years. Presently, 54 units are empty. He said he was unable to give her the per unit maintenance cost although costs are rising. He noted, however, that maintenance costs have been raised by \$1 because of continuing salary costs for people staffing maintenance and administration in the area. Regent Collison stated that she is concerned about maintaining the Pammel Court units.

Director Frederiksen said that if the rental rate needed to be raised, the Pammel Court units would have to be taken out of service. The fact that the university is now experiencing vacancies in those units is telling us that the university should proceed with removing them. Regent Collison emphasized that substandard housing is not in the board's best interest. Director Frederiksen noted that Pammel Court units will not be subsidized and the university agrees completely with the decommissioning of same.

Regent Shaw commended the institution on the annual net cash income earned in the first half of the year. He noted that the board needs to think more philosophically whether it really has three separate cost centers or not. Those three are: 1) married students, 2) food service, and 3) room service for single students. He said there may be some merit in one group subsidizing the other.

President Parks noted that two Iowa State University student government representatives were present for discussion. Those present were: Mary Beth Howe, President, Iowa State University Student Body, and Clarke Bell, Vice President, Iowa State University Student Body.

Miss Howe said she interprets the mood of Iowa State University students with respect to the proposed dormitory/dining and married/single apartment housing rates to be one of disappointed acceptance, realizing the realities of the situation. She pointed out that Iowa State University does, on the whole, have high quality in its residence hall system. Mr. Bell noted that Iowa State University has the lowest housing rates in the Big 8.

Director Frederiksen reported that Iowa State will have 100 additional apartments available by the first of September in which the university will be able to accommodate 400 additional single students. He reported that the university already has 51 of those 100 units spoken for.

MOTION:

Mr. Barber moved the board approve the dormitory-dining rate increase as recommended by Iowa State University for fall 1977-78. The increase for a double occupancy room with full board for an unmarried student would be \$90.00, making the rate \$1,185 for the academic year. The increased rates are to be effective June 1, 1977. Mr. Barber also moved that the board approve the married-single student apartment rate increases to be effective July 1, 1977. Mr. Bailey seconded the motion and it passed with Mrs. Collison abstaining.

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

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

Gerald E. Klonglan as Chairman of the Department of Sociology and Anthropology effective February 18, 1977 through June 30, 1982. Salary \$30,000 per year, twelve months basis, plus fringe benefits.

MOTION:

Mrs. Collison moved the board approve the appointment of Gerald E. Klonglan as shown above. Mr. Slife seconded the motion and it passed unanimously.

FACULTY DEVELOPMENT ASSIGNMENTS, 1975-76. The board was requested to accept the report of Iowa State University on faculty development assignments (leaves) for 1975-76 contingent upon the receipt of the additional information outlined below.

The Board Office reported that at the January 1975 meeting the board approved 29 faculty development assignments for Iowa State University

for 1975-76. The report Iowa State University presented the board discussed the assignments of 24 faculty. Vice President Christensen commented that five faculty members took advantage of outside grants instead of using the assignments. He reported that the cost for the leaves amounted to \$51,602.79.

MOTION:

Mr. Baldrige moved the board accept the report of Iowa State University on faculty development assignments (leaves) for 1975-76. Mr. Zumbach seconded the motion and it passed unanimously.

PROPOSED IOWA STATE UNIVERSITY CATALOG CHANGES. The board was requested to refer the proposed catalog changes to the Interinstitutional Committee on Educational Coordination for review and recommendation.

Regent Zumbach asked if the university is planning a degree program in speech pathology at the undergraduate level. Vice President Christensen responded by saying that has not been proposed at this time. Mr. Richey noted that there are such programs at the University of Northern Iowa and the University of Iowa.

In absence of objections, President Petersen referred the Iowa State University catalog changes to the Committee on Educational Coordination for review and recommendation.

SANITARY SEWER EASEMENT TO REACTOR SITE. The board was requested to approve the granting of a sanitary sewer easement to the City of Ames and transmit same to the State Executive Council for approval.

The Board Office reported that the City of Ames has requested the granting of a permanent easement and a temporary construction easement for the construction of a sanitary sewer line across property owned by the State of Iowa. The consideration for this grant is the fact that the sanitary sewer line to be constructed will be part of the jointly operated sewage facilities and will also serve the requirements of facilities presently operated by Iowa State University, which are research reactor facilities. No cost of the facilities to be constructed within this easement shall be assessed or charged to the grantor, except as may be authorized by the grantor. In other words, no assessments will be charged to the state. The Executive Council must also approve the granting of this easement.

MOTION:

Mr. Baldrige moved the board approve the granting of a sanitary sewer easement to the City of Ames and transmit same to the State Executive Council for approval. Mr. Bailey seconded the motion and on roll call the following voted:
AYE: Bailey, Baldrige, Barber, Collison, Shaw, Slife, Zumbach, Petersen.
NAY: None.
ABSENT: Brownlee.
The motion carried.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the period of January 15 through February 18, 1977 had been received by him, was in order, and recommended approval.

The board was requested to approve a change order for Schilletter Village Addition -- Phase II, totaling \$26,160.00. The Board Office reported that the major item on this change order is the substitution in the type of flooring in the modular units which costs some \$814 more per building or \$26,048 for the 32 buildings. This change is being made to both improve the livability of the units and to reduce maintenance costs.

The following new projects were presented for approval:

<u>Knapp-Storms Commons -- Kitchen Ceiling Replacement</u>	
Source of Funds: Dormitory System Surplus Fund	<u>\$40,000.00</u>
<u>Ag 450 Farm -- Farrowing Unit</u>	
Source of Funds: Ag 450 Farm Account	<u>\$40,000.00</u>

MOTION:

Mr. Bailey moved the board approve the Register of Capital Improvement Business Transactions; approve change order #1 for Schilletter Village Addition -- Phase II as shown above; approve the two new projects shown above; and authorize the executive secretary to sign all necessary documents. Mr. Shaw seconded the motion and it passed unanimously.

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Friday, February 18, 1977.

DORMITORY-DINING RATE CHANGE. The board was requested to approve the dormitory-dining rate increase as recommended by the University of Northern Iowa for fall 1977-78. The increase for a double occupancy room with full board for an unmarried student would be \$72, making the rate \$1,168 for the academic year. The increased rates are to be effective as of the fall semester, 1977. It was also requested that the board approve the proposed rate schedule as recommended by the University of Northern Iowa for married student housing for 1977-78 to be effective July 1, 1977.

The Board Office reported that analysis of the income and expense figures indicated that while the portion of revenue and expense generated during the first half of the year are up in 1976-77 over 1975-76, the net cash income in the first half of 1976-77 is approximately 25% larger than in 1975-76. The net income for the first half of 1976-77 as a percentage of total anticipated net income for the year is also ahead of the 1975-76 figures. The reliability of the 1976-77 full year estimates, the Board Office reported, is quite important because these figures are used as a base in determining the 1977-78 residence system budget. The projected 1977-78 revenue from operations including the proposed rate increases are \$6,185,000 or a 6.4% increase over the 1976-77 estimate. Expenditures for operations are estimated to amount to \$5,118,353 in 1977-78 which is approximately an 8.1% increase over 1976-77.

The Board Office also stated that the increased occupancy experienced in 1976-77 is expected to contribute sufficiently to revenues in 1976-77 to ensure that the university will not have to further deplete surplus as has happened in the prior three years. The university anticipates an additional 200 single student housing contracts in 1977-78 over the 1976-77 level of 4,431.

Miss Ann Brenden, president, University of Northern Iowa Student Association, said she approved the proposal, recognizing the needs underlying it.

MOTION:

Mr. Bailey moved the board approve the dormitory-dining rate increase as recommended by the University of Northern Iowa for fall 1977-78. The increase for a double occupancy room with full board for an unmarried student would be \$72, making the rate \$1,168 for the academic year. The increased rates are to be effective as of the fall semester, 1977. Mr. Bailey also moved that the board approve the proposed rate schedule as recommended by the university for married student housing for 1977-78 to be effective July 1, 1977. Mr. Baldrige seconded the motion and it passed unanimously.

BOILER PLANT STUDY/REPORT. The board was requested to: 1) hear a presentation on the Brown Engineering Report on steam production and distribution and then receive the report; 2) amend the capital request for the university for the 1977-79 biennium to provide for a total allocation of \$8,770,000 as detailed in the "Budget Costs" section provided the board; and 3) approve negotiation of a design agreement with Brown Engineering to provide Phase I design services which will include bidding documents for the steam generator proper. The estimated cost for this phase of the work is \$85,000.

The following persons were present for discussion: Mr. Tom Paulson, Director, Engineering Services, University of Northern Iowa; Mr. Jay Reed, Brown Engineering; and Mr. Milton McDonald, Brown Engineering.

The Board Office reported by way of memorandum that the current capital request before the legislature contains these items for the University of Northern Iowa for utilities:

Planning for Coal-Fired Boiler (Deficiency Appropriations Request)	\$ 400,000
Coal-Fired Boiler and Replacement -- Phase I	3,005,000
Coal Fired Boiler and Replacement -- Phase II	3,500,000
General Utility Line Replacements	300,000
North Steam Loop for West Campus	800,000
TOTAL	<u>\$8,005,000</u>

(The latter four items are included under the proposed academic revenue bond authority.)

The preliminary report on the boiler, whose primary purpose was to provide the university and the board with a firm cost estimate for forwarding to the legislature, estimated the cost of the boiler and housing at \$5,750,000 for site no. 2. This figure excludes design costs and inflation. The current estimate for the same work is \$7,324,000, and the total package is \$8,770,000.

The university examined all of the recommendations made in the Brown Engineering Report and concluded that its capital request should be restructured basically to do the boiler only in the 1977-79 period. It would be a 120,000 lb./hr. boiler located at the site of existing plant no. 2. This plant currently has two 60,000 lb./hour gas/oil boilers.

The Board Office recommended that up to \$85,000 be allocated to the university from 66th G.A. capital balances to provide Phase I design services for the steam generator proper. When this amount is subtracted from the capital request, the capital request becomes \$8,685,000 which represents the overall increase of \$680,000 in the utilities request of the university for the 1977-79 biennium.

The university material presented the board went into the two primary questions involved--the size of the boiler and its location.

The Board Office thoroughly investigated the possibility of reducing the size of the boiler to a 60,000 lb./hr. unit. The only attractive feature of reduction in size is reduced cost. The cost estimate for a 60,000 lb./hr. boiler would be \$7,625,000, which would fit into the current capital request of the university for utilities and would eliminate any upward revision in that request. However, there are significant disadvantages with a smaller boiler, as viewed by the Board Office:

1. While something like \$1.2 million is saved initially in construction, operating costs and fixed costs over a ten-year period would be \$1.5 million more for a smaller boiler or about \$150,000 more per year, which for a boiler with at least a 30 year life, would net out at a greater overall cost of about \$3.3 million. Perhaps even more important is the fact that technology has not advanced to the point where a smaller boiler can use anything other than a spreader stoker. This means that the system would be limited in the type of coal it could burn and probably could not burn Iowa coal. The larger unit, which was recommended, is a so-called pulverized coal unit and will accept all types of coal, including Iowa coal. There are other significant advantages with the use of a pulverized coal unit including the significantly lower operating costs. It was for the above reasons that the Board Office recommended purchase of the 120,000 lb./hr. unit.
2. The other consideration was the decision to locate the new boiler at plant no. 2 rather than the central campus plant. The primary reason for that decision is the desire of the university eventually to remove all steam generation from the central campus plant. This would be largely accomplished if this boiler were located at plant no. 2. When operative, this boiler would replace the existing boilers no. 2 and no. 3 at plant no. 1. The Brown firm recommended that at the end of the current ten-year period the university give serious consideration to construction of a second coal-fired boiler at plant no. 2. At that time the other two boilers, no. 1 and no. 4, in plant no. 1 would be retired. There is a small annual saving in fixed and operating costs through location of the boiler at the site no. 2.

The Board Office noted that the preliminary budget for the new boiler includes several items which add to the cost. The first of these is the establishment in the new boiler of the capability to provide for future electrical generation at the university. The expenditure of \$328,000 is required at this time if the university is to ever consider the generation of its own electrical power. This capability would not be used up until the second boiler is constructed at site no. 2 and a turbine generator is installed at plant no. 2. Both steps are not contemplated until after 1985.

The Board Office reported that the second unusual cost item involves the expenditure of \$59,000 for improvements to plant no. 1 to assure its continued reliability over the next several years until the new boiler is on line. An additional \$175,000 would have to be spent in the 1979-81 biennium to assure continued usage of part of plant no. 1 for a ten-year period.

Mr. Reed presented a detailed oral report summarizing the Brown Engineering study presented the board in written form. He said the Brown Engineering firm, in summary, recommends that boilers no. 2 and 3 of plant no. 1 be retired and that due to the limited availability of oil that a 120,000 lb./hr. coal boiler be added to the steam generating capacity. That size boiler was recommended because it will handle peak load requirements for eight months out of the year. It also permits the university to use pulverized coal. Also, there would be no concern about coal fines and the pulverized coal would be better able to meet pollution regulations. He recommended emission controls be provided to meet all pollution standards.

Mr. Reed noted that his firm considered three sites on the university campus for the location of the unit. He added that two of those sites are those of existing boilers. The analysis came out that over a ten-year period, there is a \$300,000 advantage to locate the steam generator at site no. 2 which is at the western edge of the campus. The costs would involve \$32.6 million total over a ten-year period which includes all operating and new facility construction costs. Plant site no. 2 involved the lowest cost.

Mr. Reed referred to energy conservation with respect to the recommendation before the board and said that electrical generation could be a byproduct of the steam. That would be very sound, and very competitive with utility company rates. It would involve a net savings of \$200,000 a year.

Mr. Reed said the estimated cost for the boiler itself is \$7,851,000. That includes about \$200,000 for the upgrading required on existing plant site no. 1. He noted that the budget figures are slightly different than these because they didn't include what is ultimately required to upgrade plant site no. 1. The initial cost figures in September were entirely preliminary in his view.

In response to questions, Mr. Reed reported that the \$32.6 million cost for the ten-year period includes all operational costs and fixed charges connected with the plant. He was referring to fuels, power, labor, maintenance, and investment on the equipment. He noted that the additional \$24 million or \$25 million would not be a capital expenditure but would be operating expense. In clarification, Mr. McMurray noted that \$21 million would involve operating costs and \$11 million would involve capital costs including the second boiler.

Regent Bailey asked about saving money with respect to burning waste. Mr. Reed responded by saying that while Brown Engineering wasn't saying the university shouldn't burn waste, it did not recommend making the modifications necessary to burn it. He said waste fuel would amount to only 3% of the university's total requirements. The additional cost required to modify the boilers to permit burning of solid waste in comparison to the cost savings would not seem to be practical. Mr. Reed noted, however, that the Brown Engineering report was not a study of solid waste disposal. It was a discussion of the economic considerations of fuel.

Regent Shaw raised a question about the expenditure for electrical generation. In response, Mr. Reed noted that the cost of an agreement with the local utilities has not been finalized but preliminary investigation indicated that there is no question but that some savings could be realized through self-generation of electricity. The \$328,000 expenditure is to preserve all options even though the economics are not fully resolved. Regent Shaw agreed that should be done.

Regent Baldrige asked when the university makes decisions to no longer buy turbines for boilers, when depreciation no longer warrants such attachments. Mr. Reed reported that boiler life is generally 25 to 30 years. The University of Northern Iowa, however, has gotten even better experience in that it has 45 year life spans on a couple of its boilers.

Regent Collison brought up discussion relating to a portable coal washing facility and whether it would be practical for the university. Mr. Reed said his firm does not contemplate a coal washing plant. He added that would involve a sizable investment in addition to the other costs. He stated that his firm did not research the economics of coal washing as such.

President Petersen reminded members of the board that the board's capital request was amended at yesterday's board meeting and the only action now necessary was for approval to negotiate the design agreement.

MOTION:

Mr. Slife moved the board approve negotiation of a design agreement with Brown Engineering to provide Phase I design services which will include bidding documents for the steam generator proper. The estimated cost for this phase of the work is \$85,000. Mr. Barber seconded the motion and it passed unanimously.

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

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the period January 1 to February 4, 1977 had been received by him, was in order, and recommended approval.

The following construction contract was recommended for ratification. Award was made by the executive secretary.

UNI-Dome Flash Recovery System

Award to: Union Plumbing and Sheet Metal Company, \$10,915
Waterloo, Iowa

The board's attention was called to the somewhat unusual circumstance surrounding this award of contract. The board was reminded that the university has had some difficulty in adequately heating the UNI-Dome. As part of the solution, the university took informal competitive quotes of which three were received for a Flash Recovery System. This informal competitive quote method was utilized because preliminary indications were that the work would be less than \$10,000. However, the low quote came in at \$10,915. The university contacted the Board Office and because of the emergency nature of this work, the executive secretary on January 27 formally awarded the contract under Form A to the lowest of the three

bidders for \$10,915. The university then issued a purchase order to this bidder so that the work could be undertaken as quickly as possible.

The Board Office reported that it was its view that the university had adequately set up a competitive situation in that request for quotes which were sent to a total of seven plumbing shops in the area. Three bids were received and the other four shops chose not to submit bids for the work. The urgency is caused by the fact that in early March the university will host the Division II NCAA wrestling match in the UNI-Dome and such low temperatures as have been recently recorded would be intolerable. The urgency precluded the university from going out and starting the process over again, when it found that the work was over \$10,000. In addition, the institution considered the current work load of the plant services staff and concluded that in-house forces could not accomplish this additional work in the time period required. Further, the materials for the project were pre-ordered to expedite the process and were delivered the week of January 31.

The following new projects were recommended for approval:

<u>Lawther Hall - Stair Exit</u>		
Source of Funds:	Dormitory Improvement Fund	<u>\$ 12,500</u>
<u>Noehren Hall - Interior Painting - 1977</u>		
Source of Funds:	Dormitory Improvement Fund	<u>\$ 49,000</u>
<u>Campbell Hall (East) Parking Lot Improvement</u>		
Source of Funds:	Dormitory Improvement Fund \$100,000	
	Reserved Parking Fund \$100,000	<u>\$ 200,000</u>
<u>Speech/Art Complex - Carpeting</u>		
Source of Funds:	Movable Equipment Section of the Speech/Art Complex Budget (\$66,000)	<u>\$ 66,000</u>
<u>Married Student Housing Additions, 1977</u>		
Source of Funds:	Dormitory System Surplus Fund	<u>\$1,230,000</u>

MOTION:

Mr. Barber moved the board approve the Register of Capital Improvement Business Transactions for the period January 1 to February 4, 1977; ratify the award of contract by the executive secretary; approve the five new projects; authorize the executive secretary to sign all necessary documents. Mrs. Collison seconded the motion and it passed unanimously.

COLLEGE STREET EXTENSION ROAD PROJECT. The board was requested to:
1) receive the preliminary report titled "Grade and Pave Extension of College Street to Hillside Courts and South Campus Street"; 2) approve an agreement between owner and engineer (Brice & Petrides), and authorize the design of the grading and paving of the extension of College Street to Hillside Courts, including the bridge; 3) approve the design agreement between the Iowa State Board of Regents and the Iowa State Department of Transportation authorizing the university to design and construct the

project, with reimbursement coming from the Institutional Roads Fund in 1977, 1978, and 1979. It was noted that if the proposed scope of work is approved, a budget will be forwarded at the March board meeting.

The Board Office reported that the board authorized the university to retain the firm of Brice, Petrides & Associates to prepare a preliminary study on this project in the fall of 1976. The Institutional Roads Program funds this project through payments in 1977, 1978 and 1979. At this time, \$405,000 has been allocated for the construction of this project plus the engineering costs.

Basically, the report outlined three alternatives for construction of this roadway. This road is essential to provide access from the Hillside Courts married student housing area to central campus. The only access now is a pedestrian walkway, except for the road which serves Hillside Courts from Cedar Falls. The alternatives laid out by the engineer are:

1. Alignment A with bridge -- \$546,260
2. Alignment B with bridge -- \$571,730
3. Alignment A with reinforced concrete box culvert -- \$387,558

The proposed project would provide for extension of College Street to Hillside Courts. It would not grade and pave South Campus Street from University Avenue to the extension of the College Street road. There is a way currently existing to go from University Avenue to the proposed extension of College Street, although it is not a straight route. The project, through the South Campus Street work, would cost an additional \$109,000.

The Board Office reported that because the project is already over the institutional road allotment by some \$87,530, or 22%, the university recommended not undertaking the South Campus Street project at this time. The university recommendation was to utilize Alignment A, which is shorter and at less cost, with a bridge, for a total cost of \$546,260. The bridge option was selected over that of a culvert primarily because the box culvert and roadway will overtop during floods greater than a three to four year frequency and such overtopping could cause a hazard to local residents using the roadway, as well as increase the maintenance costs and also would represent a restriction to gaining increased fire and police access to the married student housing area.

The preliminary schedule on the project has completion by the end of 1977. For that reason, the university proposed that the complete contract be let backed by institutional funds until reimbursement is made from the Institutional Road Funds in the years now scheduled in the five-year Institutional Roads Program. Since bids will have been taken by the time the next Institutional Road Program is prepared, the Board Office will be able to adjust that program to provide for coverage of the increased costs on this project. The Board Office reported that this is a very critical roadway for the university and this road should probably have been constructed at the time Hillside Courts was initially occupied. If the board approves construction of additional married student housing in that area, the need for this road becomes even more apparent.

The Board Office reported that the "loan" that the university proposed to make to enable this project to be undertaken this year is one of several ways in which the inadequacy of the current institutional road funding is

pointed out. In addition, at the current level of funding in the Institutional Road Fund, the only way the Board Office could come up with the cost estimate overrun of \$87,000 would be to let other projects currently in the program slip back into the unmet needs category.

Vice President Stansbury reported that while the road project would serve married student housing, it would also serve some instructional areas such as astronomy, biology, etc.

MOTION:

Mr. Slife moved the board: 1) receive the preliminary report titled "Grade and Pave Extension of College Street to Hillside Courts and South Campus Street"; 2) approve the agreement between owner and engineer (Brice & Petrides), and authorize the design of the grading and paving of the extension of College Street to Hillside Courts, including the bridge; 3) approve the design agreement between the Iowa State Board of Regents and the Iowa State Department of Transportation authorizing the university to design and construct the project, with reimbursement coming from the Institutional Roads Fund in 1977, 1978, and 1979. Mr. Bailey seconded the motion and it passed unanimously.

MARRIED STUDENT HOUSING ADDITION, 1977. The board was requested to: 1) authorize the construction of 40 units of "site constructed" married student housing and a central services building at the University of Northern Iowa at a total project cost of \$1,230,000; and 2) approve the request to negotiate a contract with the firm of Stenson, Warm, and Grimes to design the housing units and central services building.

The board was presented with a proposal containing the conclusions drawn from the analysis of site constructed, modular, panelized and trailer unit alternatives. The University of Northern Iowa recommendation, which is considerably scaled down from the original 100 new unit concept, calls for 40 site constructed units to be built at a per unit cost of \$26,051. Together with the reduced central services building at \$185,000, the total construction cost would be approximately \$1,230,000. The cost of the central services building has been reduced by eliminating the laundromat. The site constructed unit was selected because of the projected longer life of the unit, lower maintenance cost over the life of the unit, and lower expected utility cost due to better quality construction, materials and insulation.

The university's proposal called for using \$1,230,000 from surplus to finance the construction project. While this will sharply reduce surplus, it alleviates the necessity for short-term bonding with its stringent financial requirements and the potentially unfavorable impact upon dormitory and married student housing rates. It is felt that construction of the 40 units plus central services building can be quite adequately handled from surplus. Therefore, the University of Northern Iowa does not require bonding authority for the proposed married student housing.

A brief recap of the financial aspects of each alternative was presented:

<u>Unit</u>	<u>Construction Cost</u>	<u>Utilities</u>	<u>Anticipated Rent</u>	<u>Utilities Plus Rent</u>
1. Site Constructed	\$26,050.89	\$44.88	\$160.24	\$205.12
2. Panelized (Kingsbury)	25,772.10	49.58	159.03	208.61
3. Modular (Trademark)	24,059.83	49.91	169.28	219.19
4. Modular (ISU)	28,507.00	49.91	188.44	238.35
5. Trailers	16,762.00	68.78	177.66	246.44

The Board Office reported that on the basis of maintenance cost and utility requirements, the site constructed unit appears superior. It was also noted that the per unit construction cost under the present proposal for a site constructed unit is \$26,050.89 which is substantially below the per unit cost of \$35,098.68 for the original design.

The Board Office reported that the monthly rental rate proposed in 1978 for the new married student housing units of \$160.24 is based on a 5% return on the present value of the investment construction cost and life-time maintenance and recovery of the capital invested over the life of the investment. Even though surplus will be used to fund the project, the use of these funds is not free, since they are currently earning a 5% return as an investment in short-term securities. The proposed 1977-78 monthly rate for a Hillside two-bedroom, two-story air-conditioned unit will be \$147.00.

Vice President Stansbury asked permission for the executive secretary to execute the contract according to the terms set out herein prior to the next meeting with ratification at the March meeting so the project can proceed without delay.

MOTION:

Mr. Slife moved the board: 1) authorize the construction of 40 units of "site constructed" married student housing and a central services building at the University of Northern Iowa at a total project cost of \$1,230,000; and 2) that the university be authorized to negotiate a contract with Stenson, Warm, and Grimes to design the housing units and the Central Services Building. Mr. Slife also moved that the executive secretary execute the contract according to the terms set out herein prior to the next meeting with ratification at the March meeting so the project can proceed without delay. Mr. Zumbach seconded the motion.

Mr. Richey said he was very pleased with the excellent cooperation of the University of Northern Iowa with this matter of married student housing.

Proposed Tuition Rates
Summer 1977

<u>Credit Hours</u>	<u>Undergraduate</u>		<u>Credit Hours</u>	<u>Graduate</u>	
	<u>Iowa Resident</u>	<u>Iowa Nonresident</u>		<u>Iowa Resident</u>	<u>Iowa Nonresident</u>
1	52	52	1	74	74
2	52	52	2	74	74
3	78	150	3	111	234
4	104	200	4	148	312
5	130	250	5	185	390
6	156	300	6	222	468
7	182	350	7 or more	238	490
8 or more	195	370			

The university reported that the only deviance from the 1976 summer session tuition schedule is that the university proposed to eliminate the tuition rate differential for two credit hours or less between resident and non-resident students. The university's cardinal reason for this change was to be consistent with current academic year tuition policy which has an absence of a non-resident fee differential for four credit hours or less. This policy was approved by the board in February of 1976.

The University of Northern Iowa believes that the loss of revenue from the proposal would be minimal since only nine students enrolled during the summer of 1976 with a total of two credit hours or less.

The following academic year tuition schedule was adjusted to reflect the recent action taken by the Board of Regents to approve increases in the tuition rates for all students to be effective in the 1977-79 biennium:

Proposed Tuition and Fee Schedule
1977-1979 Biennium

Academic Year Fees per Semester¹ - Effective Fall Semester 1977

<u>Credit Hours</u>	<u>Undergraduate</u>		<u>Credit Hours</u>	<u>Graduate</u>	
	<u>Iowa Resident</u>	<u>Iowa Nonresident</u>		<u>Iowa Resident</u>	<u>Iowa Nonresident</u>
1	58	58	1	80	80
2	58	58	2	80	80
3	87	87	3	120	120
4	116	116	4	160	160
5	145	275	5	200	420
6	174	330	6	240	504
7	203	385	7	280	588
8	232	440	8	320	672
9	261	495	9 or more	363	759
10	290	550			
11	319	605			
12 or more	347	660			

Summer Session Fees² - Effective Summer Session 1978

<u>Credit Hours</u>	<u>Undergraduate</u>		<u>Credit Hours</u>	<u>Graduate</u>	
	<u>Iowa Resident</u>	<u>Iowa Nonresident</u>		<u>Iowa Resident</u>	<u>Iowa Nonresident</u>
1	58	58	1	80	80
2	58	58	2	80	80
3	87	165	3	120	240
4	116	220	4	160	320
5	145	275	5	200	400
6	174	330	6	240	480
7	203	385	7 or more	260	540
8 or more	215	405			

¹Includes \$29 per student per semester for student activities and specified building and debt service fees.

²Includes \$12 per student for student activities and specified building and debt service fees.

The University of Northern Iowa fee schedule also included a listing of various other fees for which approval was requested as part of the university fee schedule:

Applied Music	
Students enrolled for other work, per hour	\$ 35
Students enrolled for applied music only, per hour	70
Group voice and group piano (groups of 4 or more)	20
Late Enrollment	5
Change of Registration (after grace period)	5
Credit by examination, university courses, per course	20
Correspondence, per semester hour	22
Extension or TV class, per semester hour	
Undergraduate	36
Graduate	36
Transcript of Academic record	
One transcript	2
Multiple copies, same order	2 plus 1 for each additional copy
Application for admission to the university	10
Reinstatement after cancellation	10
Replacement of ID card or registration certificate	3
Iowa Lakeside Laboratory fee - per session	130
Visitors	
by the week	15
by the course	$\frac{1}{2}$ of fee for credit
<u>CLEP Fees</u>	
General examinations	
one examination	20
two examinations	30
three - five examinations	40
Subject examinations	
one examination	20
two examinations	30
three - five examinations	40
six examinations	60
seven examinations	70
eight examinations	80
nine examinations	80

Price Laboratory School Summer Session

52

Vice President Martin reported that there is a body of those on campus who are in favor of charging an equivalent rate for one hour of credit. He said there are complicated and meritorious arguments for charging at the two hour level for one hour of credit. He said the university frequently hears objections from students that it charges a two hour rate for one hour of credit. Vice President Martin said in terms of educational considerations there is a trend towards granting one hour of credit toward certain kinds of activities. He added that some university officials are concerned about the tendency to give two hours of credit because it does charge for two hours of credit although perhaps education is giving rise to the individual study project.

Regent Bailey said he senses that what the University of Northern Iowa was proposing to do was to go to the same rate for non resident students as for resident students in the summer session. Vice President Martin responded by saying Regent Bailey was right and added that is the practice at the other two universities now.

MOTION: Mr. Bailey moved the board approve the above schedule of tuitions and fees for both the summer 1977 session as well as for the 1977-79 biennium. Mrs. Collison seconded the motion.

Regent Collison asked if the university was still proposing to charge extension courses on a course-by-course variance on whether it is meant for an upgrading technique or whether it is for a specialized degree. Vice President Martin reported that courses offered through the extension system are charged on an hourly ratio basis. He noted that the university was not proposing a change in extension rates. Vice President Martin stated there is no distinction in charge for the student taking credit for degree purpose as opposed to upgrading of knowledge. President Kam-erick added it would be difficult to make that distinction.

Mr. Richey reported that in terms of summer rates the university equated them on a one-half time basis. In terms of board policy, the first four hour charge is identical both for residents and non-residents. Mr. Richey recommended the board take the action recommended with the understanding that the Lakeside Laboratory session fee can be deleted if the Board Office finds that the fee is inconsistent with the board's policy. He commented that he doesn't believe the board has approved a specific fee for the Lakeside Laboratory heretofore.

AMENDMENT TO MOTION: Mr. Bailey amended his motion to include the understanding that the Lakeside Laboratory session fee can be deleted if it is found that it is inconsistent with board policy. Mrs. Collison seconded the motion.

VOTE ON MOTION AS AMENDED: The motion passed unanimously.

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Friday, February 18, 1977.

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

ADOPTION OF 1977-78 SCHOOL CALENDAR. The board was requested to approve the proposed school calendar for Iowa School for the Deaf for the 1977-78 school year.

The Board Office reported that the proposed calendar was quite similar to that which is in effect for this year. The proposed calendar has the school year beginning one day earlier than this year and ending six days later than will be the case this year. However, it also proposed two additional at-home periods for the school's pupils, thus raising these periods to nine from the present seven.

In absence of objections, President Petersen approved the proposed school calendar for Iowa School for the Deaf for the 1977-78 school year for the board.

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

The following construction contract award was recommended for ratification. The executive secretary awarded the contract under Form B which is used to waive an irregularity. The bidder to whom award was made failed to bid on alternate #1 for a trash compactor. The instructions to bidders did not specifically require bidders to quote a price, but all other eight bidders did. The executive secretary waived this irregularity since the decision was made not to include the trash compactor in award, as funds available are insufficient at this time to purchase this piece of equipment. If purchased at a later date, the school has decided to purchase the compactor directly and the general contractor will not be involved in either the purchase or the installation of this piece of equipment.

Food Service Addition, Construction

Award to: Lindwall Construction Company, Omaha, Nebraska \$449,756

The Board Office reported that the project is within budget and can proceed.

The board was also requested to approve the following contract award:

Food Service Addition, Equipment

Award Recommended to: Buller Fixture, Omaha, Nebraska \$147,069

The Board Office reported that the school has learned that it is eligible to receive approximately a \$25,000 grant from the Department of Public Instruction for assistance in purchasing equipment for the kitchen. These grant funds will become available to the school upon receipt of the equipment itself and upon certification that the equipment has been paid for.

Two bids were received for equipment. The equipment bid was put together to include a base proposal plus three add alternates. It was determined that the priorities were to take the base plus alternates E-2 and E-3 and to withhold action on E-1 until the amount of the food grant was more firmly established. The bids were read publicly and representatives from both equipment bidders were present. There was a distinct difference in the amounts bid and on the basis of the alternates taken or recommended, the apparent low bid was for \$138,841.82, while the other bid was for \$147,069; for a difference in the two bids of \$8,227.

The architect, upon later review of the contractors' bids, discovered that the low bidder had written across a portion of his bid that he hereby took exception to the imposition of the \$100 a day liquidated damages clause which was part of the specifications. It was important to note that the other bidder was not aware that the low bidder had taken this exception to the specifications. The low bidder was then contacted by the architect as to the meaning of this exception and the low bidder, Peglers of Lincoln, Nebraska, indicated it would review that exception and would outline the matter in a letter to the architect.

The only acceptable action as far as the Board of Regents was concerned at this point in order to maintain the basic integrity of the specifications would have been for Pegler & Company to write a letter formally removing its exception to the imposition of a liquidated damages clause on their contract. This was, in fact, why they were contacted and we were lead to believe that this was the action they were going to take. However, in a letter dated February 2 and finally received in the Board Office on February 8, Pegler & Company instead of removing its exception worded its letter to request that several additional paragraphs be added to the specifications before they would accept the job.

Several alternatives were considered by the Board Office with the final recommendation being that the bid of Pegler and Company be rejected and that award be made to Buller Fixture, Omaha, Nebraska, in the amount of \$147,069, waiving the irregularity that bidder failed to submit EEO data with the bid as specified although such data has now been submitted.

The Board Office reported that it should be understood that the liquidated damages clause was imposed on this job because it is quite essential that the school be able to operate its kitchen facilities by the start of school in fall of 1977. The liquidated damages clause would be imposed for any day after August 15, 1977 that caused that food service operation to not operate as intended. Essentially, the schedule is to have the new food service addition completed by that time and remodeling work in other areas not immediately essential to the preparation of meals will go on after that date.

The following amended project budget was presented for approval:

Food Service Addition

Construction Contract	\$449,756
Equipment Contract	147,069
Architect's Fee and Inspection	46,778
Miscellaneous Costs & Additional	
Insurance	2,000
Contingencies	29,397
	<u>\$675,000</u>

The Board Office reminded members of the board that funding for the Food Service Project would come from capital appropriations (\$650,000) and \$25,000 from the non-food assistance grant from the federal school lunch program.

MOTION:

Mr. Bailey moved the board approve the Register of Capital Improvement Business Transactions for the month of January 1977; ratify award of the general contract on the Food Service Addition; reject the bid of Pegler and Company on the equipment contract of the Food Service Addition Project; approve award to Buller Fixture, Omaha, Nebraska on the equipment contract for the Food Service Addition Project, waiving the irregularity that the bidder failed to submit EEO data with the bid; and authorized the executive secretary to sign all necessary documents. Mr. Baldrige seconded the motion. The motion passed unanimously.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Friday, February 18, 1977.

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

SCHOOL CALENDAR, 1977-78. The board was requested to approve the proposed 1977-78 school calendar for the Iowa Braille and Sight Saving School with the understanding that the summer sessions are contingent upon the securing of funding which has been requested in the budget currently before the Governor and legislature.

The Board Office reported that the proposed school calendar was virtually identical with the calendar which is currently in effect at the school. The one major difference is that the proposed calendar allows for two summer sessions of 15 class days each. The first session would run from June 12-30 while the second session would run from July 10-28.

MOTION:

Mr. Bailey moved the board approve the proposed 1977-78 school calendar for the Iowa Braille and Sight Saving School with the understanding that the summer sessions are contingent upon the securing of funding which has been requested in the budget currently before the Governor and legislature. Mr. Zumbach seconded the motion.

Superintendent Woodcock reported that the school is actively interested in moving toward a 210-day school year. Secondly, Superintendent Woodcock reported there is a possibility that perhaps the Department of Public Instruction would be interested in funding a summer program in cooperation with the Iowa Braille and Sight Saving School with the Iowa Braille and Sight Saving School furnishing staff and facilities. Regent Collison said that Superintendent Woodcock's clarification regarding the summer program will lend great credibility to the legislature when the school's needs are presented.

VOTE ON MOTION:

The motion passed unanimously.

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

The board was requested to ratify the award of contract made by the executive secretary on the following project:

Heating Plant Improvements

Award to: AAA Mechanical Contractors, Inc., Iowa City, Iowa \$24,250

The following revised or amended project budget was presented for approval:

Heating Plant Improvements

Contract Award	\$24,250
Engineering Fees	5,000
Contingencies	<u>2,750</u>
	\$32,000

The Board Office reported that since the project can be completed for \$32,000, the difference between that amount and the \$50,000 original allocation (or \$18,000) under the new procedures is returned to the Board of Regents' control account for future reallocation.

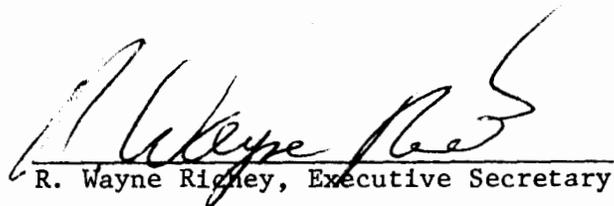
It was noted by the Board Office that "Heating Plant Improvements" was formerly titled "Replace Deaerating Feedwater Heater."

MOTION:

Mr. Baldrige moved the board approve the Register of Capital Improvement Business Transactions for the month of January 1977; ratify award of contract made by the executive secretary; approve the revised or amended project budget; and authorized the executive secretary to sign all necessary documents. Mr. Barber seconded the motion and it passed unanimously.

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

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 2:10 p.m., Friday, February 18, 1977.


R. Wayne Rigney, Executive Secretary