The State Board of Regents met at the State University of Iowa, Iowa City, Iowa, on Thursday, July 12, 1984. Those present were:

Members of the State Board of Regents:
- Mr. Brownlee, President
- Mrs. Anderson
- Mr. Duchen
- Dr. Harris
- Mrs. Jorgensen
- Mr. McDonald
- Mrs. Murphy
- Mr. Neu
- Mr. Van Gilst

Office of the State Board of Regents:
- Executive Secretary Richey
- Director Barak
- Director Gross
- Director Wright
- Associate Director Runner
- Associate Director Stanley
- Ms. Peters, Secretary

State University of Iowa:
- President Freedman
- Vice President Ellis
- Vice President Remington
- Associate Vice President Mahon
- Associate Vice President Small
- Assistant to President Mears
- Director Stork
- Director Jensen

Iowa State University:
- President Parks
- Vice President Christensen
- Vice President Madden
- Vice President Moore
- Assistant to President Crawford
- Director Lendt

University of Northern Iowa:
- President Curris
- Provost Martin
- Vice President Conner
- Director Kelly

Iowa School for the Deaf:
- Superintendent Giangreco
- Business Manager Keuhnhold

Iowa Braille and Sight Saving School:
- Superintendent DeMott
- Business Manager Berry
GENERAL

The following business pertaining to general or miscellaneous items was transacted on Thursday, July 12, 1984.

President Brownlee thanked the university for its hospitality during the long-range planning seminar of the previous two days. He complimented the university on behalf of the board for the fine presentations at the seminar and asked that these sentiments be relayed to the collegiate deans.

President Parks and Regent Neu were excused from the meeting.

APPROVAL OF MINUTES. The minutes of the Iowa School for the Deaf Long-Range Planning Seminar of May 16, 1984, and the minutes of the board meeting of June 20-21, 1984, were approved as distributed by general consent of the board. President Brownlee stated that any additions or nonsubstantive changes could be turned in to the secretary.

UNIVERSITY OF IOWA LONG-RANGE ACADEMIC PLAN, 1984. It was recommended that the board receive the Long-Range Academic Plan, 1984, from the University of Iowa.

The Board Office reported that the university's report is based on a strategic type long-range planning process which is very similar to that contained in the board's policy. The university has an ongoing comprehensive program evaluation process in which all programs are reviewed on a regular basis. As indicated by the university, these reviews are important in terms of assessing program strengths and weaknesses and in the allocation and reallocation of resources. The Board Office said the university was to be commended for these efforts.

Overall, the university is not recommending a large number of new programmatic endeavors and appears to be selecting program areas for possible implementation that are consistent with the institutional mission and goals. The primary focus then appears to be on the maintenance of and improvement of quality of existing programs. Most of the colleges indicated the need for additional general funding, equipment, and facilities in order to carry out this goal.

The Board Office noted the following highlights of the university's plan:

- The University of Iowa will continue to emphasize the academic quality of its teaching and research programs. In evaluating progress toward this goal, actual resource allocation data in terms of faculty size, faculty productivity, extramural funding, and external program ratings can be assessed.
Continuing emphasis will be placed in ensuring that library and other learning resources keep pace with the rapid expansion of knowledge and with programmatic changes.

The university will continue to provide extensive support services for students and faculty members.

The University of Iowa will continue to strengthen its position in the field of affirmative action by attracting larger numbers of women and minority group members to its faculty, staff, and student body. It is anticipated that definite improvement in all categories will be seen by the end of the planning period.

Interdisciplinary programs will be strengthened.

The university will make every effort to replace and improve deteriorating facilities and equipment.

The University of Iowa will continue to work with other segments of the educational sector in Iowa.

The scholarly and research product of the faculty will be enhanced. Every effort will be made to support the faculty members' efforts in research and scholarship.

Efforts will be made to enhance the quality of doctoral programs at the University of Iowa.

The review process for departments and colleges at the university will be continued and, where needed, strengthened.

The university will continue to attract outstanding students from Iowa and other states and countries to its undergraduate and graduate programs.

The emphasis on teaching and creative programs in the arts at the University of Iowa will be strengthened.

Efforts to stabilize funding for the College of Medicine will be made during the planning period.

The university will continue its commitment to the development of new instructional technology.

Certain core disciplinary areas, such as chemistry, require substantial attention in the immediate future.

Foreign language teaching and scholarship at the university will be evaluated and enhanced.

President Brownlee said he wished to bring to the board's attention a resolution concerning the University of Iowa Hospitals and Clinics which
would update a similar resolution passed by the board in 1980. This resolution had been discussed by the board at the long-range planning seminar. Regent Anderson commented that, as now presented to the board, the resolution answered concerns she had expressed about some of the wording of the resolution. President Brownlee requested that the board, in its capacity as trustees of University Hospitals and Clinics, take action on this resolution.

MOTION: Dr. Harris moved that the board adopt the resolution concerning University Hospitals and Clinics, as follows:

IOWA STATE BOARD OF REGENTS' RESOLUTION REGARDING THE NEED FOR CONTINUITY IN STATE APPROPRIATION SUPPORT FOR THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS

WHEREAS an annual appropriation to the University of Iowa Hospitals and Clinics has been demonstrated to be essential to maintain the Hospitals' statewide comprehensive tertiary patient care and clinical training missions;

WHEREAS the comprehensive tertiary patient care center at the University of Iowa is essential to the state of Iowa's stratified health care delivery system which is predicated upon primary, secondary, and tertiary levels of capacity;

WHEREAS there is a continuing need to support residency physician training and other clinical training at the University Hospitals in order to reduce health manpower shortages that exist throughout Iowa and to replace health personnel lost to Iowa communities through year by year attrition;

WHEREAS there is a continuing need to support University Hospitals' unique responsibilities relating to the development and evaluation of new technology and conduct of clinical research;

WHEREAS the Iowa General Assembly has established a state policy of introducing a price competition model for the delivery of health care services that includes no inherent recognition of costs related to the unique contributions of University Hospitals beyond basic patient care; and

WHEREAS University Hospitals' ability to sustain these unique societal contributions, including education, new technology development, clinical research support, large scale charity care, subsidized ambulatory care programs for teaching, and highly specialized services and intensive patient case mix, will be seriously jeopardized unless the necessary resources are provided outside of the price competition health system;

THEREFORE BE IT RESOLVED that the Iowa State Board of Regents urges that the integrity of the annual appropriation to the University
Hospitals be maintained at the level necessary to permit the University Hospitals to continue to provide needed indigent patient care and to support uncompensated costs related to clinical education programs; new technology development; clinical research support; and other unique societal contributions of the University Hospitals; and further urges legislative action by the Iowa General Assembly and the support of the Governor to authorize these uses of appropriated funds.

SECOND TO MOTION: Mr. Duchen seconded the motion and it passed unanimously.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. a. Annual Report of the Regent Committee on Educational Relations, 1983-84. It was recommended that the board:

1. Receive the report of the Regent Committee on Educational Relations, 1983-84.

2. Encourage the committee to implement its proposed activities outlined in the position paper included in the report below.

The Board Office reported that the committee met seven times during the 1983-84 academic year, including a major meeting on May 4, 1984, with members of the State Department of Public Instruction to review the "annual evaluation reports" of the 15 area schools. The Regents approved the committee's recommendations with respect to the area schools last month. Other principal activities of the year included the following:

- The committee developed a position paper which discusses the role and function of the Regent Committee on Educational Relations with respect to articulation between secondary schools of the state and the Regent institutions. Among the activities proposed in the position paper are the following five items:

  1. Encourage development of a recommended level of computer literacy that high school students should achieve and how this might be accomplished. The committee would seek to ascertain what the role of the Regent institutions could be in this process.

  2. Develop procedures to implement specific recommendations of the ad hoc Articulation Committee report. (As an example, it could explore ways to develop a measure for the competencies recommended.)

  3. Encourage the admission offices and the registrars of the Regent universities to continue to develop with the Iowa secondary principals and guidance counselors a means of reporting back to the high schools on the progress of students.

  4. Work with high schools to increase the enrollment of talented high school students in college-level courses while they are still in high school.
5. Encourage the faculty at the Regent universities to begin a dialogue with high school teachers in their relevant disciplines.

Vice President Remington noted particularly the recommendation to implement the recommendations of the Articulation Committee (number 2, above). The Committee on Educational Relations recommended that it take major responsibility for review of these implementations and be liaisons with the secondary schools in this regard. The Board Office commented that the committee should be encouraged to undertake these activities and to report on the progress of implementation in its next annual report.

- The committee reported on meetings between computer science department personnel in the Regent institutions and faculty from the Eastern Iowa Community College District to discuss ways and means of improving articulation between the institutions.

- The committee reviewed its function and assessed its performance in achieving its goals. The committee concluded that its purposes as stated were adequate and did not need revision and that the committee was achieving its purposes.

- The committee noted a visit to the American Institute of Business at the request of AIB which resulted in AIB being recommended as a N institution in the Transfer Credit Practices booklet. The "N" identification indicates that credit is not ordinarily accepted. A footnote indicates that work is primarily vocational-technical with limited transferable credits.

The Board Office said the committee should be congratulated for its work during the year and encouraged to take on the important tasks outlined in its position paper.

MOTION: President Brownlee stated that by general consent of the board the Annual Report of the Regent Committee on Educational Relations, 1983-84, was received and the committee was encouraged to implement the activities proposed in its position paper.

b. Catalog Revisions, University of Northern Iowa. It was recommended that the board:

1. Approve three new emphases for the Physical Education major: Teaching/Coaching; Scientific Basis; and Cardiac Rehabilitation.

2. Approve Science Education for Elementary Schools (K-6) - M.A. degree.

3. Approve the dropping of the following programs when all current students have completed the program:

   a. Major in Business Education (Specialist in Education degree)
   b. Major in Elementary Supervision (M.A. in Education degree)
c. Major in School Psychology (M.A. in Education degree)
d. Major in Director of Guidance Services (Specialist in Education degree)
e. Major in Elementary Consultant (Specialist in Education degree)
f. Major in Evaluation (Specialist in Education degree)
g. Major in Secondary Consultant (Specialist in Education degree)

4. Approve proposed additions and deletions of courses.

The Board Office said that in May the University of Northern Iowa submitted its curriculum revisions for approval. The board referred the proposed revisions to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The Interinstitutional Committee had completed its review and recommended approval.

The curriculum revisions for the University of Northern Iowa as originally presented to the board included a request for approval of five new major programs. Since the initial request, the university had withdrawn three of the five new programs and requested that one of the proposed majors be deferred pending possible resubmission. The Board Office was pleased with this action by the university since it felt that some of the proposed new programs were duplicated within the university.

Proposed New Programs. The Physical Education major - M.A. degree - was proposed with three new emphases. Each of the proposed emphases duplicates programs offered at other institutions in Iowa including the two Regent universities and Drake. What makes these duplicative offerings somewhat acceptable is the fact that these are not really new programs but rather programs that have already been offered for 10 to 20 years, with the student's specific program choices planned with graduate advisors. The three emphases would now be identified and described in the catalog. The Board Office noted regret that this duplication had occurred, but said not approving the programs at this point would not result in any substantive difference. In addition, the board does not have a policy with respect to the review and disapproval of existing academic programs except for the five-year post-audits of new programs.

The primary rationale for upgrading these three areas to emphases is so prospective students and colleges and universities nationally can better identify the scope and limitations of the UNI program. The university projected a steady enrollment over the next five years based on past experience. There appears to be sufficient employment opportunities for graduates of the program. According to the university, graduate placement in physical education has been about 90 percent. No additional resources were requested for this program above the normal increases and expenditures associated with already established programs.

The Master of Arts degree in Science Education for Elementary Schools (K-6) is also duplicative of programs offered at other universities in Iowa. The Board Office noted, however, that this duplication can be justified because this is an area where there is an abundant need for persons
trained in the field. The only other Regent program in elementary
science is the Master of Science in Elementary Science offered by the
College of Education, University of Iowa. Iowa State University and
Drake University have Master's Programs in Education in which one may
specialize in science.

The proposed enrollments for the program are relatively small with two
majors in 1985-86 and growing to eight majors in 1989-90. The university
requested almost no additional resources to offer this program. The
university explained this by indicating that the program will be primarily
offered during the summers. The Board Office had raised a concern
with respect to the resource problems noted in the Long-Range Plan
presented to the board in 1982. The university indicated that the shortage
of classroom/lab space applies during the academic year but not during
the summer when these courses will be offered.

In response to a concern raised by the Board Office that the university
had not mentioned this program in its 1982 Long-Range Plan, the university
said:

It is true that there was no mention of this program in the
eyear academic planning reports prepared in fall 1981. In fact
this is a response to a very recent and dramatic change in concern
for and support for science education. If we had proposed it
two years ago, it would have been impossible to defend it in
terms of demand or an expressed need. . . . It was not until April 1983,
that the publication of the "Nation at Risk" focused attention on
these problems. . . . We are trying to respond to these concerns of
society and the needs of the schools.

The Board Office noted that the explanation for the lack of reference in
the Long-Range Plan is a reasonable one.

Programs to be Dropped. The university proposed to drop a number of
majors in the graduate program in education (as noted in the recommended
action, above). This is part of the reordering and the restructuring of
programs associated with the implementation of the Doctor of Education
program.

Proposed Additions and Deletions of Courses. The university noted that
courses offered at the university are in a continual state of flux and
change as modifications are made to keep programs up to date and to meet
the composition and interests of the student body. There are 56 new
courses proposed and 6 courses recommended to be dropped. A little more
than one-third of the new courses are at the 300 level for the Doctor of
Education degree and include the usual and necessary catalog listings
for seminars, readings, research, practicums, and internships. Some of
the new courses are replacements for those to be dropped. Others are
designed to provide more alternatives to students and to strengthen current
programs.
The Board Office reminded the university that all new or expanded programs, including emphases, are subject to a post-audit after five years of existence. It was requested that the university set in place mechanisms for accumulating the appropriate information necessary to complete the Regents' post-audit review questions, so each question can be fully responded to at that time.

Vice President Christensen said the Interinstitutional Committee commended the faculty and administration of the University of Northern Iowa for adding programs which fit the mission of the institution and dropping programs no longer utilized effectively. President Brownlee added that many people are particularly pleased about the proposed master's degree in Science Education for Elementary Schools.

MOTION: Dr. Harris moved that the board approve (1) three new emphases for the Physical Education major - M.A. degree; (2) Science Education for Elementary Schools (K-6) - M.A. degree; (3) dropping of seven programs (as listed in the recommendation) when all current students have completed the program; and (4) proposed additions and deletions of courses. Mrs. Jorgensen seconded the motion and it passed unanimously.

c. Post-Audit Review Report on the B.S. and B.A. Degrees in Biology at the University of Iowa. It was recommended that the board accept this report.

The Board Office reported that the undergraduate major in Biology was first proposed to the board in March of 1979 and was approved by the board in April 1979. The post-audit review report was submitted by the university in June and was referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The Interinstitutional Committee completed its review and recommended approval.

At the time that this undergraduate major was proposed, students could major only in a specific discipline in Biology such as Zoology, Botany, or Microbiology. This major was proposed in an attempt to provide a student with a major with more breadth and one that would approach the study of Biology from a point of general principles of living rather than from the point of the specific organism of the plant, animal, or micro-organism.

As originally proposed by the university, the major has not required identifiable additional expenditures. However, as noted by the university, the increase in number of Biology majors, in concert with students who share the required courses, are severely straining existing teaching (including graduate assistants), secretarial, and other staff. Space and resources (library, general expense, computer) also have come under pressure. In the biological sciences in the liberal arts, the university anticipates the need for at least one more faculty member and stipends for at least six
new graduate assistants over the next few years. These needs as stated above are not related directly to the establishment of the Biology major, but reflect the increased interest in enrollment in the biological sciences generally.

Enrollment in Biology courses and the number of Biology majors have increased by at least the rate projected when the program was proposed. Opportunities for graduates appear to be good.

While bachelor degree programs with a major in Biology are offered by Iowa State University, the University of Northern Iowa, and several independent colleges and universities in Iowa, the programs are not identical and differ somewhat in objectives and orientation. The Board Office recommended that the program be approved for continuation.

MOTION: President Brownlee stated that by general consent the board accepted the post-audit review report on the B.S. and B.A. degrees in Biology at the University of Iowa and approved continuance of the program.

REPORT ON THE GOVERNOR'S TASK FORCE ON FOREIGN LANGUAGES. It was recommended that the board receive the report on the Governor's Task Force on Foreign Languages and approve the proposal to implement Recommendation 7 (as noted below) of the report.

The Board Office explained that in 1982 former Governor Robert D. Ray appointed a Task Force on Foreign Language Studies and International Education, chaired by President Freedman. In June 1983 this task force issued its report to Governor Terry E. Branstad and the people of Iowa. This task force made seven recommendations concerning the status of foreign language studies in international education in Iowa and the nation. These recommendations are as follows:

1. Promote a comprehensive foreign language and international studies program for Iowa.

2. Promote and assure articulation and cooperation among the various levels of foreign language teaching.

3. Strengthen programs of teaching preparation, teaching certification, and continuing education for teachers of foreign languages and international studies.

4. Promote international exchange programs between "sister" cities and among educational institutions, students, faculty members, teachers, business professionals, and families.

5. Develop pilot programs for implementing specific recommendations in the task force's report.
6. Develop and exploit the benefits of a productive relationship among educational institutions and the business community and encourage efforts to explore these benefits.

7. Request the Governor, the State Board of Regents, and the Department of Public Instruction to establish a Commission on Foreign Language Studies and International Education with a continuing charge to implement the recommendations of this report.

Governor Branstad requested that Mr. Richey and Superintendent Robert Benton of the DPI prepare a proposal to implement Recommendation 7, the establishment of a "Commission on Foreign Language Studies and International Education." Such a proposal had been prepared, and it was recommended that the board approve it. The State Board of Public Instruction would also consider this matter in July.

The proposal would establish a commission that would have wide representation of Iowans among its members, including persons from the public and private sectors and persons with varied educational backgrounds and associations. The charge to the commission should include, but not be limited to, the following:

Act as the primary organization for disseminating the task force's report and launching concerted efforts to inform and educate Iowans on the need for increased emphasis on foreign language study and international education.

Identify appropriate agencies for realizing the specific goals and recommendations of this report and work to create such organizations where none exists.

Determine which recommendations of this task force can be implemented relatively promptly, so that progress can be made within the next year, and make plans for achieving those recommendations that can be implemented only over an extended period of time.

Assess the specific needs of the business community and work to meet those needs.

The commission would be responsible for reporting to the Governor, the State Board of Regents, and the Department of Public Instruction on a regular basis and for providing continuing advice on coordinating and implementing the recommendations of the task force.

The commission would be composed of 12 persons: 4 to be appointed by Governor Branstad, 4 by the State Board of Public Instruction, and 4 by the Board of Regents. Funding for the commission would be drawn in equal parts from the Board of Regents and the State Department of Public Instruction. It was estimated that the total cost for three years would be $13,500. The Regents' share would be assessed equally among the three Regent universities.
The Board Office said the proposal also calls for a joint meeting of the members of the two boards and the Governor on an annual basis to hear a report on activities from the commission. A three-year life span was recommended for the commission, and a final report is required.

President Freedman commented that he was pleased with this proposal. Vice President Christensen commended President Freedman for his work as chair of the Governor's task force and said Iowa State University concurred with this recommended course of action. Iowa State considers its international mission extremely important. The university is already involved in many activities relating to the recommendations of the task force, but Vice President Christensen felt number 7, which would be addressed by this proposal, is clearly the key element for the state.

In answer to a question from Regent Murphy, President Freedman said he believed the Department of Public Instruction had been authorized by its board to hire a foreign language consultant.

Regent Murphy asked if the universities had any foreign language pilot programs involving the public schools. Vice President Remington said the University of Iowa has a liaison group between its foreign language departments and public schools in the area. This is a new program but the university expects it to grow rapidly. President Curris said the laboratory school at the University of Northern Iowa has implemented foreign language instruction, and university personnel are involved in preliminary discussions with the public schools. Vice President Christensen said ISU will address this issue in its newly approved resource center for teachers.

Mr. Richey told President Brownlee that the board will probably be asked to appoint its members to this commission at the next board meeting. He added that all of the universities have a keen interest in this area. President Brownlee said the board is looking forward to working on this project.

MOTION:

President Brownlee stated that by general consent the board received the report on the Governor's Task Force on Foreign Languages and approved the proposal to implement Recommendation 7 of the report.

ACCREDITATION REPORTS. a. Graduate Program in Hospital and Health Administration at the University of Iowa. It was recommended that the board receive the report on accreditation of this program.

The Board Office explained that, in compliance with the Regents Procedural Guide, the University of Iowa submitted a copy of an interim visit report on the Graduate Program in Hospital and Health Administration by the Accrediting Commission on Education for Health Services Administration. When, in 1980, the commission voted to accredit the university for five years, it required a
progress report by September 1981 and a subsequent three-year interim visit. This report concerns the interim visit which took place on October 27, 1983.

In its 1980 action, the commission noted 10 concerns with the program. Vice President Remington told the board these concerns have been corrected and the program is moving forward very well. The site visitor indicated that "the University of Iowa program has addressed the recommendations of the 1980 accreditation visit. The inception of its new curriculum, the maturation of relationships between the Business and Law Schools, and the growing cooperation between the program and the University Hospitals augur well for the future of the program."

The visitor recommended endorsement of the original five-year accreditation and that the next site visit not be scheduled until 1986. The university was notified that the commission had accepted the report of the interim visit and had voted to defer the next scheduled visit to fall 1986 in order to examine the implementation of the new curriculum.

The Board Office said the university should be congratulated for achieving full accreditation.

MOTION: President Brownlee stated that the report on the accreditation of the Graduate Program in Hospital and Health Administration at the University of Iowa was received by general consent of the board.

b. Social Work Program, University of Northern Iowa. It was recommended that the board receive the report on the accreditation of this program.

The Board Office reported that, at its meeting on May 21-25, 1984, the Council on Social Work Education, Commission on Accreditation, reviewed the findings of the Show-Cause Committee which examined the documents submitted by the University of Northern Iowa to show cause why the baccalaureate degree program in Social Work should not be placed on probationary status. The commission found that the program had taken corrective action in areas previously cited as being in non-compliance with standards and had addressed areas previously cited as concerns. Therefore, while upholding action taken in January 1984 regarding other concerns, the commission voted to reaffirm the accredited status of the program through January 1991. This is the maximum period allowable.

The action taken in January 1984 included concerns raised by the site visit team regarding the course content in the biological sciences. Vice President Martin told the board that the program had previously been accredited without a specific course requirement in the biological sciences. Dr. Martin noted that the Council apparently changed its requirements in this regard, as other institutions around the country were also affected by this requirement. The Board Office said that, since the university took immediate action to require biology in the Social Work major and certain other program changes, the program is now fully accredited.
Vice President Martin said the university was very pleased to achieve maximum accreditation. The Board Office congratulated the university and the Social Work Department for this accreditation.

A complete file on this accreditation, including the site visit report and self-study, is available in the Board Office.

MOTION: President Brownlee stated that the report on accreditation of the Social Work Program at the University of Northern Iowa was received by general consent of the board.

**PROPOSAL FOR PLANNING ACTIVITIES FOR UNIVERSITY INVOLVEMENT IN ECONOMIC DEVELOPMENT FOR THE STATE OF IOWA.** It was recommended that the board approve the proposal for developing a study-plan for Regent university involvement in the economic development of the state of Iowa.

The Board Office said this proposal concerns an effort to develop a study-plan for Regent university involvement in the economic development of the state of Iowa. It is based on strong initiatives underway by the Governor's Office for state agency involvement in economic development of the state which would include the expertise and interest of the Regent universities. The forms of university involvement in state economic development have typically taken one or more of the following forms, according to a recent publication from the U.S. Office of Technology Assistance:

- **research and science parks**, clusters of research-intensive firms and facilities on a site near a university;
- **research and technical centers** that disseminate information, provide technical assistance, and perform short- or long-term research for local businesses in exchange for fees and other support;
- **university/industry collaboration**, including cooperative research ventures and research consortia;
- **entrepreneurship training and assistance**, including courses, seminars, and internships; technical and management advice; and incubator facilities dedicated to nurturing new ventures by students and local entrepreneurs; and
- **direct and indirect investment**, usually from endowment funds, in spinoffs, venture capital partnerships, and seed capital funds.

It was proposed that the Regents establish an initial planning committee. The charge to this committee would include the following:
1. develop a proposed policy for Regent institution involvement in economic development activities;

2. develop a plan for a study that would assess the needs of present and potential businesses and industries in Iowa relative to the areas of strengths in the three Regent universities (due by 9/84);

3. review the various existing types of university-business relationships for their applicability and feasibility to Iowa (see five areas noted above);

4. consider new and innovative types of collaborative relationships between the institutions with business and industry;

5. prepare a plan for implementation of the study findings and recommendations that is efficient and non-duplicative with respect to the progress at the three Regent universities;

6. propose in the plan an overall comprehensive and coordinated structure for streamlining contacts with business-industry interested in pursuing one or more of the various relationships with the universities and relationships with other state agencies and organizations assisting with economic development of the state;

7. prepare a budget request and supporting documentation for implementing the plan.

The Board Office noted that many of the areas being considered involve high technology which is expensive and would be very difficult to fund at each of the institutions. A collaborative approach, however, would provide for the efficient use of resources as well as opportunities for faculty participation and development.

It was proposed that this initial planning committee will present a study plan for board approval this fall, preferably at the September meeting but no later than the October board meeting. The Board Office said it understood that funding for developing such a study may be available from state and federal sources. There will be a need for an institutional match for at least a portion of these grant funds, and it was proposed that this be a match "in kind."

Vice President Christensen commented that, although each of the universities are involved in activities of these types, the central coordination emphasis as in this proposal is very important and will be valuable.

President Brownlee proposed that the initial planning committee consist of the Interinstitutional Committee on Educational Coordination and other members appointed by the president of the board on behalf of the board. He invited suggestions for membership from the institutions and the Board Office. Regent Anderson felt this committee should include representatives from business and industry. President Brownlee said he would explore business and industry representation, working with the institutions and the Board Office. Size of the committee and exact representation on it would be kept flexible as he fashioned the committee.
Regent Duchen asked how this endeavor was going to be financed. Mr. Richey said that determination was one responsibility of the planning committee. Mr. Duchen noted that economic development is an ongoing thing. The institutions themselves are quite active in everyday responsibility, but to take their theory and turn it into practical happenings takes much time, energy, and funds. He would not like to see something started that would not be maintained. Economic development is extremely important but, as he had said before, he did not wish to see the Regent universities become involved in something that is not successful. This will be a difficult undertaking that will need long-term, ongoing effort, not just for a year or two.

President Freedman added that, in addition to being a long-term undertaking, it must have the cooperation of faculty if it is to succeed. The Regent universities are decentralized institutions in which plans to implement this proposal will work only if the intellectual interests of faculty are engaged.

MOTION: Mrs. Anderson moved that the Board of Regents establish a planning committee for university involvement in economic development, and that the president of the board be authorized on behalf of the board to work with the Interinstitutional Committee on Educational Coordination and the Board Office to appoint this committee. Mr. McDonald seconded the motion.

Mr. Richey said he assumed the charge to this planning committee would be as noted above in the Board Office report. Regent Anderson said that was her intent, but asked for a clarification. In number 6 of the charge, she asked if the words "overall comprehensive and coordinated structure" meant that another committee might be established. Mr. Richey said that was correct. This section of the charge allows for the possibility of a long-term mechanism being appointed by the board, at which time the initial planning committee would go out of existence.

VOTE ON MOTION: The motion passed unanimously.

REVIEW OF CAPITAL PLANNING PROCEDURES. It was recommended that the board:

1. Receive and approve the report.

2. Request the institutions and the Board Office to present to the board in September Procedural Guide changes incorporating the capital procedures outlined in the report.

The Board Office reported that in September 1983 the board received a report on the status of capital planning procedures. As a result of that report, the Board Office and the institutions initiated a complete review of the policies and procedures used in planning capital construction projects, including the Procedural Guide, consultant selection procedures, the Ten-Year Building Program, and the biennial capital request.
The current capital procedures have been in place for over a decade. Changes have been made and additional review points instituted as additional requirements were identified. The current process centers on the Board of Regents approving or ratifying specific institutional administration actions during the course of a capital project. These actions and requested approvals are contained each month in the Register of Capital Improvement Business Transactions and supported by backup information submitted by each institution.

As the number of capital projects undertaken by the institutions and the complexity of the projects have increased over the years, board members are being asked to evaluate and approve individual actions on a large number of capital projects each month. The present process, in combination with the large number and complexity of projects, has tended to limit the board's ability to have an impact on the capital planning process.

The Board Office said that, in response to concerns expressed by the board, the Board Office and the institutions have been reviewing carefully the current capital planning procedures and the intended objectives of those procedures. The study has responded to the question of how board members can become more meaningfully involved in capital planning.

In April, a working group composed of the university facilities directors and Board Office representatives was created to facilitate the study. This group developed a revised set of capital procedures, now being presented to the board in a conceptual stage. These proposed procedures were as follows:

Long-Range Campus Development Plans. The first step in the revised capital planning process would be presentation to the board of each university's long-range campus development plans. The presentations of these plans would be made approximately every two years.

Ten-Year Building Program. The scope of the Ten-Year Building Program would be expanded to consist of two sections. The first would deal with the first four years within the ten-year planning time frame. Project information would be developed in detail for each of the first two biennia. A second portion of the ten-year plan would deal with the subsequent six years. Information in this section would be less detailed but would identify distinct major projects as they relate to program needs and estimated project budgets. These projects may change at some later date. However, board approval would represent concurrence with the capital project as a concept and the academic program need which it is designed to address.

Register of Capital Improvement Business Transactions. The sequence of the sections in the capital register would be reordered to improve the register's usefulness and enhance the sense of continuity in the capital process. In addition, several sections would be added to the register to provide the board an opportunity for input in the early project stages. Following would be the new order of the capital register sections:
A. Permission to Proceed with Project Planning

This is a critical step in the capital process. It is at this point that a capital need is transformed from a request to a project. For those projects that have been part of the ten-year plan and the biennial request, information presented at this step would be very similar to that which had previously been received. For projects not identified through the normal capital process, Permission to Proceed with Project Planning would be the first opportunity for the board to review the project. For non-appropriated projects, this step represents the entry point into the capital planning process.

B. Approval of Program Statements

The building program statement would include the background, brief history of program development, purpose and scope of the project, and would discuss the major relations of the program and building to academic programs. The program statement would be shared with the Board Office for review on behalf of the board. An executive summary including key criteria would be presented to the board for approval. The program statement would be used by the project architect and would provide a basis for agreement between the department, the institution, the board, and design consultants.

C. Project Descriptions and Budgets

This section is synonymous with the current capital register step of the same name, and would provide a brief narrative description of the project and a budget breakdown. Information would include the source of funds.

D. Consultant Contracts

For purposes of architectural or engineering selection, capital projects would be divided into three categories:

1. Category I. These projects are primarily concerned with repair, replacement, or maintenance of existing buildings and equipment. These projects have an estimated budget of less than $250,000.

2. Category II

These are funding requests for major building renovations, rehabilitations, capital equipment replacements, and new construction with an estimated budget of $250,000 or more but less than $1,000,000.
3. **Category III**

These are major projects to erect a new building, enlarge or remodel an existing structure, or extensively repair a building. Also included are any capital projects with an estimated project budget in excess of $1,000,000.

The consultant selection for each Category I project would continue to be reported on the register for board ratification. For Category II projects, the institutions would contact a minimum of three firms. The institution would report on the register its recommendation for board approval and the criteria used in making the selection.

For projects in Category III, the institutions would advertise the need for design services in public newspapers and solicit proposals. From the firms responding to the advertisement, the institutions would evaluate the capabilities and the experience of the firms and select a minimum of three to interview. The Building Committee established to select consultant firms for Category III projects would make a recommendation on the register for board approval. The Board Office recommended that a representative of the Board Office serve as an ex officio member of the consultant selection committees for Category III projects.

**E. Construction Contract Awards**

No change is anticipated from present procedures.

**F. Change Orders to Construction Contracts**

Any change order that exceeds 10 percent of the original construction contract amount would be required to have either executive secretary approval or be approved by the board. Board approval would continue to be required for change orders that involve a budget revision. The executive secretary would be authorized to approve, on behalf of the board, change orders over $25,000 when it is in the financial or programmatic interest of the institution and the board to approve the change order without delay.

**G. Acceptance of Completed Construction Contracts and**

**H. Final Reports**

These would be handled as they are under current procedures.

The Board Office said that, in addition to the revised capital register, the following additional procedural modifications were proposed:

**Status Reports.** The institutions would report periodically to the board on the status of all capital projects currently underway.
Small Remodeling Projects. For remodeling projects which cost less than $50,000, several capital procedure steps may be consolidated when bringing a project to the board. For example, the Permission to Proceed with Project planning may also include a ratification of the consultant contract and a project description and budget. Collapsing several actions into a single step should minimize project delay, reduce unnecessary information to the board, and reduce staff time spent preparing docket material.

Preservation, Maintenance, and Repair. Maintenance projects primarily concerned with the repair, replacement, and maintenance of existing facilities, buildings, and building systems that are estimated to cost under $50,000 would not have to follow the sequential steps of the capital procedures. These projects would be reported on the capital register for approval by the board.

The Board Office reported that the above procedures were concepts developed by the Capital Procedures Review Group. The proposed revisions had been shared with the institutional business officers. After board approval of the concepts, the Board Office would work with the institutions to revise the procedures which, after board approval, would be included in the Procedural Guide.

Mr. Brownlee said there was some sentiment to defer this item. He asked board members if they wished to do so or if they would rather discuss the proposals and gain some perspective. Regent Jorgensen said she would like to hear some discussion. Other board members concurred.

Mr. Gross said the facilities planning group had attempted to address four areas of board concern: (1) assist the board in getting a better grasp on the context of a specific capital register transaction; (2) increase the board's involvement and impact in the early stages of a project; (3) revise consultant contract and contract change order procedures; and (4) relate capital requests to academic programs. Every attempt had been made to keep Regent business officers informed of the progress of the facilities planning group. The proposed procedures were discussed with the business officers on two occasions to allow them to comment on their concerns, although he had been informed that not all concerns had been allayed. The major concern expressed was that the process being proposed would involve more paper work without providing additional benefit to the board. Mr. Gross said that was not the intent of this effort. In fact, the intention was to increase board involvement on larger projects but decrease involvement on smaller ones. He noted that the threshold dollar amount for small remodeling and repair projects had been questioned. The Board Office recommended $50,000 but others felt it should be $100,000. He believed this would be acceptable if the board preferred it.

Mr. Runner said the current procedures have not undergone significant review during the 10 years or more they have been in place. As the number of projects has increased, steps have been added until the process is unnecessarily complicated. The new step called "Permission to Proceed with Project Planning" meant that the institution would come to the board before it spends considerable time or effort on a project.
He noted that there was some difference of opinion on just when this step should occur. Other parts of the new procedures and new sequencing would eliminate steps for the institution and the necessity of bringing a project back to the board three or four times. Mr. Runner added that institutional people had not been reticent about making suggestions, and the concepts as proposed reflected their concerns.

Regent Van Gilst asked how legislative appropriation of funds would fit into the proposed procedures. President Brownlee said the General Assembly approves funding at different times in the capital process, and there were a number of steps in the procedures where legislative approval might occur. Vice President Ellis said he did not see how it would be possible to go to the General Assembly with a capital request without having gone through several steps of the board's approval process. Under the proposed procedures, the institution could not even make its biennial capital request prior to permission from the board to approve the project plan. The university wished to respond to the board's need for more information and involvement, but the procedures must provide the necessary information without being so concrete they impede progression of a project. President Brownlee said he believed some of the proposed steps could be moved back and forth.

Regent Jorgensen commented that as buildings continue to show up on the capital plan, board members assume they will eventually be funded. However, as that process moves along, they forget which questions they may have wished to ask when they first heard about the project. She felt that some of the proposed procedures might help address this problem.

Vice President Moore said he believed he was speaking for all of the institutions. The institutions had no problem with the intent of the proposals. The institutions and the Board Office agree on the goal of establishing procedures to satisfy the needs of the board. He disagreed that the present procedure was unduly complicated but said it is a very careful process, well put together. Much of the complication is put there by requirements of the legislative process. He did not intend this as a criticism, but noted that when the legislature reduces or eliminates part of the capital program, it throws the institution's planning out of kilter because the ten-year program is no longer the actual assessment of the institution's needs. These legislative modifications are because of political or economic reasons, and the plan may no longer contain capital facilities that should be there from the board's perspective. With regard to additional paper work, Mr. Moore said the institutions had no objection if it provided additional value to the board, but his staff had suggested that it would not do so. While institutional planning staff had worked on these procedures, he felt that the business officers had not been acquainted with it in enough detail to respond properly. He reiterated that the institutions wished to meet the board's objectives. He suggested they interview the board individually, find out where the present procedures fail, and then attempt to meet those needs.

President Brownlee said that was asking the impossible from board members. The board felt that it was incumbent on people in appropriate positions to fashion a system that does make it possible for the board to be responsible stewards for the educational enterprise and public funds.
Regent Murphy said that, simply put, the board does know something about a project from the beginning but, somewhere in the process, it finds that it does not know enough. She had learned this as a new board member when she was shown a plan and a model she considered extravagant and learned that it was too late for board members to change anything. Nevertheless, she has to respond to the public when she is asked why the board allowed this extravagance. Somewhere, she felt there may have been an indication of the scope of this project, but the board didn’t see it. She felt there must be a step for the board to be involved before a model or the final plan appears in front of it. She asked if this was an unreasonable request.

Vice President Moore commented that institutional planning is a continuous process, and board members come and go. He did not know the answer to this problem. Vice President Ellis said he did not think this was unreasonable, and the University of Iowa would try to respond to this concern at this meeting with an architectural presentation.

Mr. Richey said that when a project appears on the first four years of the ten-year plan, that is the board's first look at the project's estimated scope and the problems to be solved by the project. That information is refined as the institution develops its biennial request. In that request, the board will hear a real dollar figure for the project, and that is a point at which the board can ascertain whether the project is lean or extravagant. The proposed new program approval step will tell what functional processes the building will address. After the preliminary planning by the architect or engineer, the shape, size, and cost of the building will be known. This is a step that has been coming to the board for years, but the board has rarely told the architect to change anything. Under the new procedures, the board will have additional background information. With this additional knowledge made possible by the proposed procedures, the board could be more assertive on what a project should be.

Regent McDonald said everyone involved understood that any new plan has to be administered with understanding and flexibility, and he felt the proposed procedures could be very helpful to the board. He reminded board members that this plan did not come out of thin air. It was done to reflect concerns the board communicated to the Board Office because the board felt it needs a better grasp of what is going on. He felt the proposed procedures are a constructive approach to the problem. These are honest concerns of board members, and this is an attempt to address those concerns.

President Brownlee commented that the success of these proposed procedures depends on some give and take on details. Regent Anderson agreed that the planning process developed by the Board Office was a responsible response to board concerns. Clearly, there were details to be worked out, but in essence the procedures had caught the real desire of the board to have more input. Under those circumstances, if she could be assured it would come back in generally the same form, she would be willing to defer final approval of the plan. Mr. Richey said many of the details being discussed were intended to be deferred until after conceptual approval. Regent Anderson felt the board could not approve the procedures even conceptually until more details were worked out.
President Curris said the University of Northern Iowa could live with the procedures as proposed, but felt the procedures would be cumbersome in the amount of paper work. He said he had been actively involved with other boards in working out capital procedures. He made several suggestions which he believed would simplify the proposed procedures, including a suggestion that the cutoff for small remodeling and maintenance projects be increased to $200,000 rather than $50,000. The concern of the board should be new construction or major renovation, not maintenance and repair.

President Brownlee agreed with President Curris that the $50,000 figure is too low and felt that by adhering to that figure the board would be encumbering itself in too much detail. Regent Anderson asked if this figure could be tied to the Category I amount of $250,000, and President Brownlee felt that was a natural place for it. Regent Duchen concurred.

President Brownlee asked the board to consider the proposed procedures relating to the selection of an architect for Category III projects (over $1 million). He felt that the board itself should have its authority spelled out, and that one of its members should serve as an ex officio member of the consultant selection committee. He felt this is the key to board involvement, because consultation between academic people and administration and the architects, engineers, and consultants is the key to what kind of building, how badly it is needed, and the price tag. This is where alternatives are proposed. The board would like to see the plan for capital procedures include this provision, so the board will have this option, and as a practical matter will be informed when the committee is going to meet, even for the first time. He wished it to be made clear that this is to be flexible. The board may not wish to be involved, or it may wish to delegate. President Brownlee suggested that the exact wording of this stipulation be determined when this item comes back to the board for approval. However, it must be clear to future boards and administrations that the board wants to know about and participate in this process if it wishes to do so.

President Freedman said the University of Iowa would welcome board participation on the architectural selection committee. Regent Duchen asked for comments from Iowa State University. Vice President Madden said he saw no problem with inclusion of a board member on the selection committee, or whatever representation the board felt appropriate. With regard to the procedures in general, most board concerns are for new capital construction projects or major renovations. In terms of money, those are where the majority is spent. In terms of numbers of projects and paper work, smaller projects are where the majority of time is spent. He didn't think the board really wished to be involved in many of these details of the smaller projects.

Regent Van Gilst said he was particularly interested in seeing long-range plans of the institutions, including maps, so the board could visualize the locations of proposed projects. Mr. Richey noted that the proposed procedures would require that these plans be brought to the board every two years, whereas under the existing procedures it has been as long as 10 years since some of these plans had been brought to the board.
Vice President Ellis told Regent Van Gilst that these plans typically identify building sites without necessarily specifying a particular building for the site although it may indicate a general type of building most suitable for that location. Not until a particular project is being planned is a specific site selected for that building.

Regent Harris said it seemed to him, after listening to the discussion, that the Board Office had done an excellent job of reviewing the capital procedures and made an excellent start on refining the procedures. He liked the fact that this had been done by working with the campuses. The discussion had revealed that there are still things to be done. He was sure the Board Office staff had noted the comments made by institutional people as well as members of the board. Having said all this, he was ready to move deferral.

MOTION: Dr. Harris moved that the board defer action on the review of capital planning procedures. Mr. McDonald seconded the motion.

Mr. Richey said that, while not addressed specifically in this discussion, all should keep in mind that these procedures are necessary because, as agents of the state, Regent actions are subject to external review. Some of the detailed procedures are to indicate to others in state government and to the general public that effective review is in progress and serves as an indication of the board's concern with its stewardship role.

Vice President Ellis asked if the motion allowed the institutions to continue to discuss with the Board Office weaknesses of details and steps. Regent Harris said that was his intention. The Board Office should take into consideration the discussion and, with the institutions, rework these procedures to incorporate the suggestions made. Regent Anderson said the minutes should make it clear that the reworked procedures are to take into account suggestions made by the board as well as the institutions.

VOTE ON MOTION: The motion passed unanimously.

FINAL REGENT OPERATING BUDGETS FOR FY 1985. It was recommended:

1. That fuel and purchased electricity appropriations to the Board of Regents of $21,324 million be allocated to the institutions.

2. That the Western Iowa Continuing Education special purpose appropriations to the Regents be allocated to the University of Iowa and Iowa State University in the amounts of $40,000 and $62,060, respectively.

3. That the Quad-Cities Graduate Study Center special purpose appropriation to the Regents be allocated to the University of Iowa in the amount of $7,582.

4. That all other special purpose appropriations be given final approval.
5. That the Board of Regents Procedural Guide, Section 7.02, be amended by adding the following subsection:

f. The Regent institutions shall furnish budget and program information to the Board Office as requested by the Executive Secretary.

6. That the Board Office and the Regent institutions review the present operating budget procedures and report to the board on modifications needed to improve the program-related review of Regent institutions' budgets.

The Board Office reported that at the May board meeting, the Regents gave preliminary approval to the education and general operating budgets of the institutions of $592.767 million. Special purpose appropriations separately budgeted of $15.7 million were also given preliminary approval at the May meeting. The institutions were requested to make final adjustments in their fiscal year 1985 budget plans and publish internal operating budget documents for FY 1985 for Regent and Board Office review. In addition, the institutions were asked to furnish information relating to the programmatic impact of proposed budgets as well as to provide the board with proposed changes in faculty and temporary positions for the coming fiscal year.

The Board Office noted some difficulty in obtaining appropriate information relating to the programmatic impact of the proposed FY 1985 budget as well as the information indicating significant proposed position changes. To correct this situation, an amendment to the Procedural Guide was recommended. In addition, it was recommended that Regent institutions and the Board Office review the current operating budget procedures and report to the board on ways in which those procedures could be modified to provide greater emphasis on programs during the budget review process.

Education and general income budgets for the Regent institutions for FY 1985 are budgeted at $592.868 million. When the Board Office's previously approved final budget and non-duplicative special purpose appropriations are added to this total, the Regents total general fund operating budget for FY 1985 becomes $608.626 million. With the addition of $310.455 million in restricted funds, the total Regent system budget reaches $919.581.

Appropriations for FY 1985 are 8.5 percent above the FY 1984 levels. This is largely the result of the state-funded salary increases in FY 1985 and salary freezes which were in place in FY 1984. Institutional income is expected to increase by 13.1 percent, largely the result of extraordinary tuition rate increases averaging 17 percent which were approved by the board for implementation in FY 1985.

In order to avoid covering the same issues discussed in May, the Board Office presented material defining budget issues faced by the Regent institutions during the present fiscal year, described changes that had occurred since preliminary budget approval in May, and summarized the scope of education and general operating support for FY 1985.
Budget Issues. The Board Office reported that the overriding emphasis in the budgets proposed by the Regent institutions for the present fiscal year is to provide salary adjustments needed to ensure the retention and attraction of top-flight faculty and professional staff members. Regent policy was followed by the institutions in granting merit and competition-based salary increases. Total funds budgeted for salary and fringe benefits are $457,936,000 in FY 1985, a 10.9 percent increase from FY 1984. The Board Office noted, however, that this also reflects the addition of some permanent faculty and temporary positions at the institutions in order to meet enrollment pressures as well as to comply with the intent of the educational excellence appropriation.

The Regent institutions funded these salary increases through a combination of increased state appropriations and additional institutional income. The Regents will receive $22.9 million of salary adjustment funds in fiscal year 1985. However, due to the underfunding of fringe benefit increases, the salary adjustment fund appropriation for the Regent institutions was approximately $1.9 million short, requiring use of additional institutional income to fill that gap. As a result, the Regent institutions have been required to use more than the $8.5 million of additional tuition income earmarked for vitality funds for salary and fringe benefit adjustment purposes.

The Regent institutions have also attempted to restore inflationary reductions in purchasing power in the supplies and services, equipment, and books portion of their budgets. These inflationary adjustments were recommended by the Governor to be funded by tuition income. The institutions are funding them in that fashion to the extent the additional tuition income is available. The special schools and the University of Northern Iowa were unable to increase these support items significantly due to limited institutional income.

Fuel and purchased electricity budgets for the Regent institutions are quite tight. These fuel and purchased electricity budgets must be closely monitored during the upcoming year in order to request supplemental funding if necessary. The Board Office said steps should also be taken to implement the Regents Committee on Efficiency and Cost Effectiveness recommendations which could result in substantial fuel savings.

Enrollment. Regent institution's enrollment forecasts remain as previously reported for this fall at 67,818 students, an increase of 1.5 percent in the fall 1983 headcount. The University of Iowa is expecting a headcount increase of 803 students. Iowa State University estimates an additional 450 students. The University of Northern Iowa anticipates a decrease of 258 students. Iowa School for the Deaf is expecting an enrollment decline from 257 to 232 students this fall and Iowa Braille and Sight Saving School is anticipating stable enrollment at 66 students for the fall of 1984. The Board Office noted that the University of Iowa had not budgeted the institutional income to be received from the additional 803 students projected. It was anticipated that the university would need to request a budget ceiling change should these additional students materialize.
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Income. Income estimates have been adjusted upward from the budgets given preliminary approval by approximately $100,000. This increase reflects Iowa State University's reassessment of its investment income, based on anticipated higher interest rates during the coming year. The Board Office noted that Iowa State University and the University of Iowa did not increase their estimates for indirect cost reimbursements. These estimates should be monitored closely as there has been a history of increases in indirect cost support over the past several years.

The Board Office reported that 57 percent of the Regent institutions' program budget for FY 1985 will come from state appropriations; 21.2 percent from sales and services (especially patient fees at University of Iowa Hospitals); 17.4 percent from student fees; 2.6 percent from other income including the return on investments and indirect costs; and 1.9 percent the result of unrestricted federal funds, particularly funds received by the Agricultural Experiment Station and the Extension Service at Iowa State University.

Expenditures. Planned expenditures for education and general operations at the universities and schools amount to $592.868 million for FY 1985. This is an increase of approximately 10.4 percent from fiscal year 1984 expenditures.

Final budgeted salaries and fringe benefits account for 77.2 percent of the total proposed expenditures, up from 76.8 percent for FY 1984. Supplies and services will comprise approximately 15.3 percent, down slightly from the previous year. Fuel and purchased electricity accounts for 4.1 percent of total general operating expense; library acquisitions are 1.3 percent; equipment amounts to 1.3 percent; and building repairs are less than 1 percent of the total anticipated expenditures in FY 1985. The fuel and purchased electricity share is down somewhat from last fiscal year while library acquisitions, equipment, and building repair shares of the total budget are at the same level as FY 1984.

The following summary compares actual expenditures for FY 1983, an estimate of actual expenditures for the fiscal year just completed, and proposed expenditures for FY 1985 by category of expenditure. It also indicates the percent change for FY 1985 as compared to FY 1984.

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<th>1983-84 Revised</th>
<th>1984-85 Budget</th>
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Special Purpose Appropriations. Special purpose and related appropriations given preliminary approval in May remain unchanged.

Board of Regents. The Western Iowa Continuing Education, Quad-Cities Graduate Study Center, and fuel and purchased electricity appropriations remain the same as were given preliminary approval in May. Allocations to the various campuses are also the same as those given preliminary approval at that time. The University of Iowa also included in its operating budget funds sufficient to maintain a stable funding level for the Quad Cities Graduate Study Center for FY 1985 with appropriate inflationary adjustments. The tuition replacement appropriation of $15.1 million is a $3 million increase from FY 1984. The Board Office said it is anticipated that the tuition replacement need will increase even more substantially in fiscal year 1986.

Standing Appropriations. Support levels given preliminary approval in May remain unchanged and total $311,500.

Other Appropriations. The allocations recommended for the Water Research Institute and the Fire Service Education Center at ISU remain unchanged from those given preliminary approval by the board in May. Other special purpose appropriations are discussed in the institutional budget items.

In summary, the Board Office said the Regent institution's budgets reflect a growth in institutional income and state appropriation support. Budgets include substantial funds for competitive and merit-based salary increases as well as funds to maintain purchasing power for supplies and services. The budgets for fuel and purchased electricity are quite tight and will have to be monitored closely. Student aid allocations have been increased by over 17 percent, consistent with the board's direction.

President Brownlee said he would like to suggest that recommended actions 1, 2, 3, and 4 be approved by the board. He asked that number 5 be deferred for future consideration. He wished to amend recommendation number 6 to read as follows:

6. That the Board Office, the Regent institutions, and the president of the board review the present operating budget procedures and report to the board.

President Brownlee explained that there had been some differences of opinion on the flow of information. On behalf of the board he would try to facilitate this flow of information. He asked if there were any objections. There were none, although Regent Anderson noted a concern. She did not wish to set a precedent that would require the board to specify "president of the board" in order to have the flow of information it desires.

MOTION: Mr. Duchen moved that the board approve (1) that fuel and purchased electricity appropriations of $21.324 million be allocated to the institutions; (2) that the Western Iowa Continuing Education
special purpose appropriation to the Regents be allocated to the University of Iowa and Iowa State University in the amounts of $40,000 and $62,060, respectively; (3) that the Quad-Cities Graduate Study Center special purpose appropriation to the Regents be allocated to the University of Iowa in the amount of $7,582; (4) that all other special purpose appropriations be given final approval; (5) that this recommendation be deferred; and (6) that the Board Office, the Regent institutions, and the president of the board review the present operating budget procedures and report to the board. Regent Van Gilst seconded the motion and it passed unanimously.

STATUS REPORT ON COMPARABLE WORTH IN REGENCY INSTITUTIONS, NON-FACULTY EMPLOYEES. It was recommended that the board:

a. Receive the Progress Report of Hayes/Hill Incorporated on their review of the Regents Merit System pay plans relative to comparable worth;

b. Receive the status/preliminary reports of the universities on their reviews of the institutional professional and scientific employees' pay plans relative to comparable worth; and

c. Approve the continuation of the studies of the Regents Merit System and professional and scientific employees' pay plans with a final report and recommendations to be reviewed by the board in November 1984.

The Board Office reported that during the 1983 legislative session the Legislature passed an act which established a policy that the state "...shall not discriminate in compensation for work of comparable worth between jobs held predominately by women and jobs held predominately by men." The Legislature's definition of comparable worth as expressed in this law is as follows:

"Comparable Worth" means the value of work as measured by the composite of the skill, effort, responsibility, and working conditions normally required in the performance of work.

A study required pursuant to this act (which did not include the Regents) was submitted to the steering committee in the spring of 1984 by the committee's consultant, Arthur Young. The Board Office noted that Arthur Young was selected from a group of 16 firms who believed they could meet the state's needs for this study.

Late in the 1984 legislative session, the Legislature passed an act to implement compensation based on comparable worth, not all of which became law. The Governor vetoed a portion of the act.
The Governor appointed an oversight committee for the implementation of comparable worth for all state employees. The committee is charged with reviewing matters including incorporating comparable worth in merit exempt agencies, reviewing the possibility of establishing a single pay plan for the state (replacing the multiple pay plans that have developed with collective bargaining), developing a procedure for handling market-created shortages of employees (the advanced starting rate issue), combining job titles that look identical, determining what can be done to prevent compaction of classifications and to maintain pay differences between supervisors and the employees they supervise, and determining a system to apply comparable worth in the assignment of new job titles to classifications.

On March 9, 1984, the board received a communication from the Deputy Executive Secretary outlining a process for studying the conditions of the Regents Merit System relative to comparable worth concepts. An essential element of the process was contracting with Hayes/Hill Incorporated (whose predecessor organization, Hayes and Associates, was the consultant which assisted in installing the Regents Merit System pay plan in 1974) to study the present state of the system. Jim Hughes, who was a member of the 1974 team from Hayes and is with Hayes/Hill today, came to Iowa on several occasions in the spring of 1984 to meet with institutional personnel staffs, merit employees, the Merit System Advisory Council, and Board Office staff.

The focus of the present Hayes/Hill study is to determine if the present operation of the Regents Merit System is compatible with the laws passed by the Legislature which established comparable worth as a basis for pay plans for state employees. The original work done by Hayes in 1974 had as an essential element the removal of sex bias from the assignment of classifications to pay grades. There have been, in the 10 years since implementation, changes in operations which could have eroded this element.

The Board Office said that Mr. Hughes' progress report notes that women in the Regents Merit System earn less than men. The continuing analyses of the data from the institutions, which should be completed during the summer, is expected to provide a response to this statement. As noted by Mr. Hughes, a part of the response undoubtedly will be the difference in longevity for male and female employees.

Each of the universities has contracted with parties involved in the original installation of their professional and scientific pay plans. For the special schools and the Board Office staff, where the numbers are fewer than 40 people, the Board Office staff will work with Hayes/Hill in reviewing the matter. The same factors of skill, effort, responsibility, and working conditions as considered in the Regents Merit System review will be considered in the review of the P&S systems.

Although not part of the study and required report, Drs. Remington, Christensen, and Martin from the universities and Dr. Barak from the Board Office are reviewing the pay of university faculties relative to comparable
worth. The Board Office staff will be working with the administrations of ISD and IBSSS in reviewing the pay of faculty at the special schools.

The Board Office concluded by saying that it is a certainty that the Regent institutions believe in the principle of pay equity which is inherent in the notion of comparable worth. As the definition and requirements for this concept become refined, the institutions wish to stay on the side of fairness. Therefore, some changes may be necessitated in the various pay plans of the board and the institutions. Any such changes recommended will be a part of the report to the board in November 1984.

Mr. Wright said that, with a final report due from Hayes/Hill in late summer, it was anticipated by the universities and the Board Office that they would be prepared for a report to the board in November 1984 so the board can act on the report which the law requires to be delivered to the Governor and Legislature by December 15, 1984. The board's final report will contain the Regents' plan for implementing comparable worth as a pay plan policy for Regent employees, effective January 1, 1985.

Regent Anderson asked if the Regents' consultant was using the same factors that the state study used. She was aware that the state committee had a great deal of input into the factors used. She also wondered to what extent the consultant was taking into account the special needs of the educational enterprise.

Mr. Wright said the consultant was taking the state study into account, and the Board Office is monitoring the state's progress with respect to comparable worth. However, the final report for the state system will not appear until December 15, so there will be no opportunity to use the state's findings in the Regents' study.

Associate Vice President Small said she wished to respond to Regent Anderson's concerns about the educational enterprise. It was her understanding that the consultant was using statistics and materials to analyze for unsuspected biases, as the state had done. However, there are different methodologies to accomplish this, and the methodology chosen by the Regents' consultant was chosen because of its experience in higher education. The Regents needed a consultant who understood the differences of the relative valuations in an institution of higher education. In addition, the Regents needed a consultant with a track record of studies of equity adjustments to women. These were the bases on which the consultant was chosen.

Ms. Small told the board that at a recent meeting on comparable worth which she attended, the majority of questions came from women in the state system who were concerned about their jobs having been downgraded. She felt this demonstrated that when this kind of study is announced, everyone feels their own worth to the institution will be found to be very valuable. When the study results are not consistent to their own perceived value in relation to other occupations, there are many disappointments. The board will probably face this type of issue when these results come forth.
Associate Vice President Small added that the board could take credit for its actions in 1974 for its decision that it is proper public policy to pay people what the job is worth even if not absolutely required to do so by market conditions.

MOTION: President Brownlee stated that the status report on comparable worth in Regent institutions, non-faculty employees, was received by general consent of the board.

REPORT ON THE RECOMMENDATIONS OF THE REGENTS EFFICIENCY AND COST EFFECTIVENESS COMMITTEE. President Brownlee stated that board members had expressed a wish to defer this item.

MOTION: Dr. Harris moved that the board defer action on the report on recommendations of the Regents Efficiency and Cost Effectiveness Committee. Mrs. Murphy seconded the motion and it passed unanimously.

REPORT ON REGENTS MERIT SYSTEM STARTING SALARIES. It was recommended that the board approve changes in the starting rates for the following merit system classifications:

| Aircraft Mechanic - Authorized Inspector | From | Grade 212 | Step 7 | To Grade 212 | Step 1 | ($16,830) |
| Aircraft Mechanic - Licensed            | Grade 211 | Step 7 | Grade 211 | Step 1 | ($16,130) |
| Automotive Mechanic                     | Grade 210 | Step 3 | Grade 210 | Step 1 | ($15,500) |
| Custodian II                            | Grade 204 | Step 3 | Grade 204 | Step 1 | ($11,409) |
| Driver-Mechanic                         | Grade 210 | Step 3 | Grade 210 | Step 1 | ($15,500) |
| Farm Eqpt. Mechanic                     | Grade 211 | Step 3 | Grade 211 | Step 1 | ($16,130) |
| Farrier                                 | Grade 210 | Step 3 | Grade 210 | Step 1 | ($15,500) |
| Glazier                                 | Grade 208 | Step 7 | Grade 208 | Step 1 | ($14,031) |
| Laborer                                 | Grade 203 | Step 7 | Grade 203 | Step 1 | ($10,814) |
| Plasterer                               | Grade 209 | Step 7 | Grade 209 | Step 1 | ($14,871) |
| Roofer                                  | Grade 209 | Step 3 | Grade 209 | Step 1 | ($14,871) |
| Sign Painter                            | Grade 209 | Step 7 | Grade 209 | Step 1 | ($14,871) |
| Welder                                  | Grade 210 | Step 3 | Grade 210 | Step 1 | ($15,500) |
| Construction Inspector                  | Grade 412 | Step 3 | Grade 412 | Step 1 | ($16,926) |
| Electronics Technician I                | Grade 409 | Step 3 | Grade 409 | Step 1 | ($14,723) |
| Electronics Technician II               | Grade 414 | Step 3 | Grade 414 | Step 1 | ($18,605) |
| Glassblower                             | Grade 412 | Step 7 | Grade 412 | Step 1 | ($16,926) |

The Board Office explained that merit system policy makes provision for starting rates beyond the minimum step of pay grades where justified by survey data. Recent surveys published by the Iowa Department of Job Service...
and compiled by merit system staff no longer support the advanced rates previously approved for several of the classifications listed above including Automotive Mechanic, Custodian II, and Laborer. It is anticipated that starting rates for other classes shown above can be returned to the minimum step of assigned pay grades without causing recruiting and related problems that cannot otherwise be resolved.

Survey data does support continuance of previously approved advanced steps as shown for the following classes:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Grade</th>
<th>Step</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Plant-Chief Operator</td>
<td>113</td>
<td>7</td>
<td>$19,793</td>
</tr>
<tr>
<td>Area Mechanic</td>
<td>210</td>
<td>7</td>
<td>17,528</td>
</tr>
<tr>
<td>Carpenter</td>
<td>209</td>
<td>7</td>
<td>16,830</td>
</tr>
<tr>
<td>Electrician</td>
<td>210</td>
<td>7</td>
<td>17,528</td>
</tr>
<tr>
<td>Elevator Mechanic</td>
<td>210</td>
<td>7</td>
<td>17,528</td>
</tr>
<tr>
<td>Environmental Systems Mechanic</td>
<td>210</td>
<td>7</td>
<td>17,528</td>
</tr>
<tr>
<td>Equipment Operator</td>
<td>208</td>
<td>7</td>
<td>15,814</td>
</tr>
<tr>
<td>ERD Machinist</td>
<td>211</td>
<td>7</td>
<td>18,298</td>
</tr>
<tr>
<td>ERD Machinist, Senior</td>
<td>215</td>
<td>7</td>
<td>21,585</td>
</tr>
<tr>
<td>ERD Welder</td>
<td>211</td>
<td>7</td>
<td>18,298</td>
</tr>
<tr>
<td>Facilities Mechanic III</td>
<td>210</td>
<td>7</td>
<td>17,528</td>
</tr>
<tr>
<td>Insulator</td>
<td>210</td>
<td>7</td>
<td>17,528</td>
</tr>
<tr>
<td>Locksmith</td>
<td>209</td>
<td>7</td>
<td>16,830</td>
</tr>
<tr>
<td>Machinist</td>
<td>209</td>
<td>7</td>
<td>16,830</td>
</tr>
<tr>
<td>Mason</td>
<td>209</td>
<td>7</td>
<td>16,830</td>
</tr>
<tr>
<td>Painter</td>
<td>208</td>
<td>7</td>
<td>15,814</td>
</tr>
<tr>
<td>Pipefitter</td>
<td>210</td>
<td>7</td>
<td>17,528</td>
</tr>
<tr>
<td>Plumber</td>
<td>210</td>
<td>7</td>
<td>17,528</td>
</tr>
<tr>
<td>Power Plant-Asst. Chief Operator</td>
<td>210</td>
<td>10</td>
<td>18,472</td>
</tr>
<tr>
<td>Power Plant-Boiler Operator</td>
<td>209</td>
<td>7</td>
<td>16,830</td>
</tr>
<tr>
<td>Power Plant Firer-Utility Worker</td>
<td>208</td>
<td>7</td>
<td>15,814</td>
</tr>
<tr>
<td>Power Plant-Larry Worker</td>
<td>203</td>
<td>10</td>
<td>12,703</td>
</tr>
<tr>
<td>Power Plant-Repairer</td>
<td>210</td>
<td>10</td>
<td>18,472</td>
</tr>
<tr>
<td>Power Plant-Utility Worker</td>
<td>207</td>
<td>7</td>
<td>15,185</td>
</tr>
<tr>
<td>Sheet Metal Mechanic</td>
<td>210</td>
<td>7</td>
<td>17,528</td>
</tr>
<tr>
<td>Steamfitter</td>
<td>210</td>
<td>7</td>
<td>17,528</td>
</tr>
<tr>
<td>Broadcast TV-Radio Technician II</td>
<td>412</td>
<td>7</td>
<td>19,060</td>
</tr>
<tr>
<td>Broadcast TV-Radio Technician III</td>
<td>415</td>
<td>7</td>
<td>21,857</td>
</tr>
</tbody>
</table>

Available data for several other merit system classes with currently approved starting rates above the minimum step of assigned pay grades was not conclusive at this time because of questionable comparability with work done at Regent institutions. The Board Office said it was in the process of identifying employers with jobs similar to those at the Regent institutions and would report survey findings to the board in September.

The Board Office noted that the appropriate role of the competitive market under the new state comparable worth law, including the use of salary survey data to determine starting rates within ranges, has not yet been determined. This issue has been included for specific attention in the comparable worth review of the Regents Merit System being conducted by the consulting firm of Hayes/Hill Incorporated.
**MOTION:**
Dr. Harris moved that the board approve changes in the starting rates for the merit system classifications as listed in the recommended action (above). Mr. Van Gilst seconded the motion and it passed unanimously.

OLD ADMINISTRATION BUILDING, UNIVERSITY OF NORTHERN IOWA. It was recommended that (1) the board receive the report and (2) that the board direct that the Old Administration Building be demolished and that Associated Wrecking Co., Omaha, Nebraska, be allowed to commence with the performance of the contract.

The Board Office explained that at its November 1983 meeting, the board approved the award of a contract to demolish the Old Administration Building on the University of Northern Iowa campus. In December 1983 the Board of Regents heard proponents for the preservation of the Old Administration Building. The board voted to defer action on the request for deferral until its January meeting. In January the board voted to postpone demolition of the building to "enable proponents of renovation to provide the board with a reliable plan to raise all funds necessary for the renovation from private sources (except student fees from UNI)." The board's action included a statement that "at the end of the six month period, the board shall evaluate the proposed fund raising plan considering student support as represented by a majority of the student body and support by UNI alumni."

On April 11, the University of Northern Iowa students voted in a special election on the possibility of assessing a $10 per student per semester fee to be collected for five years to provide partial funding for the renovation of the Old Administration Building. The proposal to raise such a fee was contingent upon the allocation of the second floor to student organizations. Of those voting, 53 percent rejected the proposed additional student fee.

On March 21, a special joint meeting of the boards of the UNI Alumni Association and the Foundation was convened to discuss the possibility of conducting a $1.2 million fund raising drive to renovate the Old Administration Building. Both boards declined to take up such a fund raising effort.

The Board Office had been in contact with Nancy Redfern of the Cedar Falls Historical Society as to the progress of the fund raising campaign for the building. Mrs. Redfern was present at the meeting, and told the board that at this time no clear money had been secured for renovation of Old Administration Building. She requested that the board mothball the building until such time as there are adequate funds. This remnant of the state's normal schools should be preserved as a reminder of the early settler's commitment to education. It is a visual reminder of the past, and without it visitors to the UNI campus will conclude that the university was founded in recent decades.

Mrs. Redfern introduced Loren Horton, Executive Council of the National Victorian Society in America; Rosemary Beach, Cedar Falls Historical Society;
and Ralph Christian, State Historical Society, each of whom made brief statements in support of saving Old Administration Building.

Mrs. Redfern said she had appreciated the students' help, and introduced Billie Olson, president of the University of Northern Iowa Student Association. Ms. Olson said she spoke on behalf of the students who had worked for the referendum for student support held on April 11. Although this referendum was defeated, Ms. Olson felt that with further opportunity to inform students about this issue, this vote could be reversed. She and Mrs. Redfern felt the referendum had been defeated because it was held shortly after an increase in room and board rates was announced, causing student concern about additional expenses.

Previous correspondence to the board from President Curris indicated that the Old Administration Building lends itself to renovation solely for administrative uses, and not for academic utilization except for occasional general purpose classrooms. Only one of the administrative uses of the building would be of high priority - new space for the Alumni and Development Office. However, this space can be provided in other locations on the campus for an estimated renovation cost of less than $150,000, rather than the $1.6 million to $2.7 million estimated to renovate the Old Administration Building. President Curris said the priority needs for space on the campus are for academic space rather than administrative quarters.

Since the renovation of the Old Administration Building would drain funds away from higher priority academic space needs of the university, and the proponents of preservation of the building have been unable to raise the funds necessary to provide for its renovation, the Board Office recommended that the board allow demolition of the building to proceed.

The board had received a letter from the attorney representing Associated Wrecking Co. of Omaha, the firm awarded the contract for demolition of this building. That company agreed to stand by its contract award price to demolish the building, thus avoiding any payment of damages for breach of contract. The Attorney General's Office reviewed this offer and advised the Board Office that Associated Wrecking Co. could proceed with the demolition of the building under the previously awarded contract.

Regent Harris asked what it would cost to mothball the building. Mrs. Redfern said an architect who made a study of the building for the proponents of renovation had indicated a figure of $15,000 per year.

President Brownlee said that, while this building does reflect the history of the state and university, the board has a responsibility for stewardship for a university that has tremendous needs. He said the board makes this decision with reluctance, but whatever the decision reached by the board, its primary responsibility is to UNI and its operations.

MOTION: Mrs. Jorgensen moved that the board (1) receive the report and (2) direct that the Old Administration Building be demolished and that Associated Wrecking Co., Omaha,
GENERAL
July 12, 1984

Nebraska, be allowed to commence with
the performance of the contract. Mrs.
Murphy seconded the motion and it passed
with Dr. Harris voting no.

BOARD OFFICE FINAL BUDGET, FY 1985. It was recommended that the board
approve the final budget for the Board Office of $760,447 for fiscal year
1985.

The Board Office reported that the proposed budget of $760,447 for fiscal
year 1985 is $6,782 greater than the approved preliminary budget, and
6.1 percent over the budget for fiscal year 1984.

The difference in expenditures between the proposed final budget and the
preliminary budget consists of several items. Health insurance rate in­
creases were less than originally estimated. The salary of the Executive
Secretary was increased by the Governor. The recent increase in telephone
rates was greater than estimated. The travel budget was increased by
$3,000 over the preliminary budget to finance the costs of additional out­
of-state travel to review economic development activities of states and
universities as they might be utilized for that purpose by the Board of
Regents and its institutions. Per diem and expenses of board members
were reestimated.

The resource portion of the budget includes several adjustments. Appropri­
ations for salary increases are $6,782 higher than shown in the preliminary
budget. Estimated receipts from miscellaneous services have been reduced
by $2,500 to reflect a more normal pattern. Estimated receipts from
institutional reimbursements are increased by $519 to reflect changes in
cost estimates.

In summary, the Board Office reported that the overall budget increase of
6.1 percent is financed by an 8.2 percent increase in appropriations and
a 7.3 percent increase in institutional reimbursements. These increases
are offset by a $1,500 reduction in miscellaneous receipts and the elimina­
tion of the expenditures for the Regents Efficiency and Cost Effectiveness
Committee.

The Board Office noted that despite the fact that the budget includes no in­
creases in staffing and no additional funds for expansion of activities, it
expected to improve the quality of staff services to the board and, thus,
enhance the board's governance capabilities during the year.

MOTION: Dr. Harris moved that the board approve
the final budget for Board Office of
$760,447 for fiscal year 1985. Mr. Mc­
Donald seconded the motion and it passed
unanimously.

BOARD OFFICE PERSONNEL REGISTER. The following personnel actions were
ratified by general consent of the board:
Deletion:
Betty A. Sands, Secretary IV, effective June 29, 1984. This position will be deleted and the position of Administrative Assistant will be created.

Promotion:
Betty A. Sands, Administrative Assistant, annual salary $20,600 plus the usual fringe benefits, effective June 29, 1984.

Merit Increase:
Ellen L. Discher, Secretary II, to $16,157 annually (Grade 106, Step 13) after annual merit evaluation, effective June 29, 1984.

Wilma I. Maynes, Secretary II, to $12,834 annually (Grade 106, Step 3) after annual merit evaluation, effective June 29, 1984.

NEXT MEETINGS: President Brownlee requested that board members and institutional personnel review the proposed schedule for meetings in 1985. He said the only probable change would be the location of the January meeting. The next meetings are as follows:

August
September 19-20 No meeting
October 17-18 University of Northern Iowa Cedar Falls
November 15 Iowa School for the Deaf Des Moines
December 19-20 Iowa State University Council Bluffs
January 17, 1985 University of Northern Iowa Ames
February 13-14 University of Northern Iowa Cedar Falls
March 21 Iowa State University Des Moines
April 17-18 University of Iowa Iowa City
May 15-16 University of Northern Iowa Cedar Falls
June 19-20 University of Iowa Okoboji
July 18 Iowa State University Ames

President Brownlee then asked board members and institutional executives if there were any additional items to be raised for discussion pertaining to the general docket. There were none.
The following business pertaining to the State University of Iowa was transacted on Thursday, July 12, 1984.

**FINAL BUDGETS FOR 1984-85.** It was recommended:

1. That the University of Iowa final operating budgets for 1984-85 be approved as follows:

<table>
<thead>
<tr>
<th>Department</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General University</td>
<td>$181,772,482</td>
</tr>
<tr>
<td>University Hospitals &amp; Clinics</td>
<td>$145,536,600</td>
</tr>
<tr>
<td>Psychiatric Hospital</td>
<td>$8,612,200</td>
</tr>
<tr>
<td>Hospital School</td>
<td>$4,851,563</td>
</tr>
<tr>
<td>Hygienic Laboratory</td>
<td>$3,094,427</td>
</tr>
<tr>
<td>Specialized Child Health Services</td>
<td>$2,773,691</td>
</tr>
<tr>
<td>Oakdale Campus</td>
<td>$2,588,759</td>
</tr>
<tr>
<td>Family Practice</td>
<td>$1,426,809</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$350,656,531</strong></td>
</tr>
</tbody>
</table>

2. That the Residence Services budget of $18,591,887 be approved.

The Board Office reported that final operating budgets for 1984-85 for all the budget units at the University of Iowa are identical in total amounts to those approved in preliminary form in May. Adjustments within the salary and fringe benefits and supplies and services categories were recommended for the general university and the Specialized Child Health Services budgets.

General University. Resources anticipated for the general university for 1984-85 include a total of $123.7 million in state appropriations and $58.1 million in institutional income. Institutional income estimates include $47.3 million in student fees, an increase of $9.4 million over the university's original estimates for 1983-84 and $7.2 million over the revised 1983-84 estimates. The university predicted a fall 1984 headcount enrollment of 30,402, an increase of 803 over its fall 1983 headcount. However, projections of student fee income were based on steady enrollments.

As noted in the preliminary budget analysis, projected student fee income may be understated. The Board Office said a review of the income projections will be in order following the fall enrollment report.
The university projected a total of $10.8 million in other income, including investment income and indirect cost receipts. It had been requested that the university review its projections of indirect cost reimbursements since the university assumed this income would remain at its revised 1983-84 level. The university had responded that several efforts were underway to lower indirect cost reimbursements, and that the estimate for reimbursements should remain at last year's level.

The only changes in expenditures from the approved preliminary budget were within salary and fringe benefit categories. The university had previously reported that faculty and institutional official salaries were to be increased with funds from both appropriations and tuition revenues. Increases are to be funded on the basis of merit and competition. It was previously estimated that the salary adjustment fund could fall short as much as $1.7 million, and tuition fee income was proposed to make up the difference. The final operating budget reflects reallocations resulting from more recent projections of health insurance costs which were between $487,000 and $655,000 lower than projected in the preliminary budget. As a result funds were reallocated to provide for temporary visiting faculty in academic areas with severe enrollment pressures and reallocation of $102,000 from the faculty salary category to the professional and scientific category. This reallocation is to support information technology throughout the university and the addition of a Biological Safety Officer in the Department of Environmental Health and Safety.

A Board Office review of the university's 1984-85 budget book indicated that, generally, faculty salaries are in accordance with board policies.

The university reported that its final budget provides for a small net reduction of faculty and P & S staff positions in the colleges. It indicated that modest increases are expected in the Colleges of Liberal Arts, Business, and Engineering, and the Library, and slight reductions in the Colleges of Nursing, Dentistry, and Medicine. The university did not provide the information broken down by academic department but indicated that it would provide further information in September.

The university reported that for graduate assistants, the FY 1985 budget of $9.9 million exceeds the FY 1984 budgeted level of $9.3 million, but is less than the actual FY 1984 level of $10.6 million. The amount to be actually expended in FY 1985 will largely depend upon responses to enrollment pressures.

Other expenditure categories are unchanged from the preliminary budget.

The board accepted a preliminary residence system budget in March 1984, subject to further review and action when the operating budget was approved for 1984-85. The university submitted a revised budget showing proposed expenses of $14,433 less than projected in March. Net revenues were $12,470 more than had been anticipated at the time of preparation of the preliminary residence system budget for 1984-85. Approval of the final residence system budget was recommended.
The university reported that restricted funds were estimated to total $182,555,902 for 1984-85. These funds include non-health area organized activities, current restricted funds (sponsored programs), auxiliary enterprises (including residence systems), and the medical and dental service plans.

University Hospitals and Clinics. The Board Office reported that the final operating budget for the University Hospitals and Clinics is identical to the preliminary budget approved by the Regents in May. The total of $145.5 million includes $25.7 million in state appropriations and $119.8 million in institutional income received from sales and services. A rate increase of 5.7 percent effective July 1, 1984, was approved by the board in May. The Board Office noted that this will help offset the cost of the county quota allocations under the Indigent Patient Care Program which remain unchanged despite reduced appropriation support.

The university had previously reported that expenditures would include a total of $3 million in increases due to programmatic or other changes. These include new buildings and the extension of the End Stage Renal Disease Dialysis Program as well as a major extension of the Organ Transplant Program to include heart and liver transplants. Both are self-supporting.

Psychiatric Hospital. The final operating budget for the Psychiatric Hospital of $8.6 million is unchanged from the preliminary budget approved by the board in May.

University Hospital School. The final operating budget for the Hospital School of $4.8 million is identical to the preliminary budget approved by the board in May. The university indicated that no programmatic changes are expected.

University Hygienic Laboratory. The final operating budget for the University Hygienic Laboratory of $3.1 million is identical to the preliminary budget approved by the Regents in May.

Specialized Child Health Services. The total amount of $2.77 million for the final operating budget for Specialized Child Health Services is identical to that of the preliminary budget approved by the board in May. However, there were adjustments among budget categories.

The Board Office explained that anticipated resources for 1984-85 include a total of $2.39 million in state appropriations and federal block grants, $235,000 in carryover funds, and $153,000 in institutional income. Appropriations and block grants are 12.1 percent less than in the original 1983-84 budget and 11.6 percent less than in the revised 1983-84 budget. The university indicated that SCHS programs will be continued despite the appropriation shortfall.
Institutional income estimates include $48,129 in federal funds, $27,000 in sales and services, and $77,465 in other income. Income in each of these categories is less than in 1983-84 as a result of reductions in federal funds, the expected elimination of mobile x-ray van services, and termination of grant funding.

The final operating budget includes adjustments in salaries and supplies and services categories in order to maintain salary levels despite reduced levels of support. The university reported that the adjustments among categories are minor and that there are no significant programmatic impacts of the shifts.

Oakdale Campus. The total final operating budget of $2.6 million for the Oakdale Campus is the same as that approved in the preliminary budget in May. Corrections in the appropriations summary were made to reflect accurately the actual distribution of appropriations.

Family Practice. The final operating budget of $1.4 million for the Family Practice Program for 1984-85 is identical to the preliminary budget approved by the board in May. No programmatic changes were reported.

The Board Office said that, as previously reported, the University of Iowa's budgets for 1984-85 reflect an emphasis on restoring the fiscal year 1984 reversions and providing competition and merit based salary increases. Other than the University Hospitals' proposed Organ Transplant Program, no major programmatic changes were indicated. The final operating budgets include only minor readjustments from the approved preliminary budgets, and the total amounts budgeted are unchanged. The Board Office recommended approval of the final operating budgets for each of the university's budgetary units as well as approval of the residence system budget for 1984-85.

Regent Jorgensen said she wanted it made clear that the board spends a lot of time considering budgets. Typically, budgets are planned over a period of from 15 to 18 months, being refined as they move through the process. She is distressed when members of the public say budgets are approved without sufficient consideration and "rubber-stamped" when the board has actually spent a lot of time studying and discussing these budgets. The board takes its responsibility seriously, and she hoped the public is aware of this.

MOTION: Mr. Van Gilst moved that (1) the board approve the University of Iowa final operating budgets for 1984-85 (as noted in the recommended action, above) totaling $350,656,531; and (2) that the board approve the Residence Services budget of $18,591,887. Dr. Harris seconded the motion and it passed unanimously.
REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes were ratified by general consent of the board.

OTHER PERSONNEL TRANSACTIONS. The board was requested to approve the following appointments:

Lieutenant Colonel James P. Wohlwend as Head, Department of Aerospace Military Studies, effective August 1, 1984.

Vice President Remington noted that the following appointments were consistent with program changes discussed at the seminar of the previous two days.

Merle A. Heick as Director, Continuing Nursing Education in the College of Nursing, effective July 15, 1984, at a fiscal year salary of $43,290.

Elizabeth M. Burns as Director for Nursing Research in the College of Nursing, effective July 15, 1984, at a fiscal year salary of $47,348.

Robert M. Fitch as Assistant Dean in the College of Education, effective July 15, 1984, at a fiscal year salary of $49,000.

George D. Cain as Acting Associate Dean, College of Liberal Arts, effective August 27, 1984, at an academic year salary of $44,000.

John R. Menninger as Acting Chair of the Department of Zoology, effective August 27, 1984, at an academic year salary of $44,550.

MOTION: Mr. Van Gilst moved that the board approve the appointments and salaries listed above. Mr. McDonald seconded the motion and it passed unanimously.

REQUEST FOR APPROVAL OF A NEUROSCIENCE PH.D. It was recommended that this request be referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The Board Office reported that the University of Iowa had requested that its academic work in the area of nervous system function and behavior become an interdisciplinary Ph.D. program. This program would not only build on previous academic work in this area but on recent grants for research in this area.

MOTION: President Brownlee stated that the request for approval of a Ph.D. in Neuroscience was by general consent of the board referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.
PHASED RETIREMENT REQUEST. It was recommended that the board approve phased retirement for Marianne K, Michael, SUI Professional and Scientific staff member, effective July 15, 1984.

The Board Office said Ms. Michael meets the requirements established for eligibility for phased retirement. The university reported that released funds (in the amount of $3,884 in 1984-85) will be used to hire temporary staff to perform social service work in areas normally covered by Ms. Michael.

MOTION: President Brownlee stated that the board by general consent approved phased retirement for Ms. Michael, effective July 15, 1984.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final register for July 1984 had been received, was in order, and recommended for approval with the following exceptions:

1. Review the construction costs for the CAMBUS office facility and maintenance garage.

2. Present for board approval a proposed program for the Iowa Memorial Union Remodeling project.

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

- Medical Research Center--Replace Central Air Conditioning Systems--Rooms 4-14
  Award to: Jones Plumbing and Heating, Inc., Iowa City $65,300.00

- Power Plant--Replace Turbine Room and Coal Bunker Roofs
  Award to: Quality Roofing Co., Dewitt $29,623.00

- Schaeffer Hall--Replace Roof
  Award to: Cedar Service Co., Cedar Rapids $74,287.00

- University Hospitals--Autopsy Suite Ventilation
  Award to: Universal Climate Control, Inc., Iowa City $41,400.00

- Oakdale Campus Roads Resurfacing
  Award to: B. L. Anderson, Inc., Cedar Rapids $75,094.65

- Quadrangle Residence Hall--Southeast Wing Masonry Repair
  Award to: Jackson Tuckpointing Co., Inc., Dubuque $19,380.00

- University Hospitals--Transformer Vault and Planter Repair
  Award to: Technical Specialty Systems Corp., Cedar Rapids $69,379.00

- Kinnick Stadium--Install Stairs, Northeast Corner
  Award to: Burger Construction Co., Inc., Iowa City $20,488.00
Utilizing Form C, the following contracts were referred by the executive secretary to the board for action:

Macbride Hall--Building and Fire Safety Improvements
Action Recommended: Reject all bids and direct the university to review the project scope and rebid the revised project at a later date.

Bids were received on this project on June 20, 1984. The four bids received exceeded the estimated construction budget by a substantial margin. The university recommended that all bids be rejected, and the Board Office concurred in this recommendation.

Mormon Trek/Hawkeye Drive Intersection Reconstruction and Newton Road Transit Interchange
Award recommended to: Streb Construction Co., Iowa City $100,130.01

This award was referred to the board because the bids received on June 21, 1984, exceeded the approved project budget. The university wishes to move forward with this project and decided to delete the Recreation Road project from the 1984 Institutional Roads Program to ensure the availability of sufficient funds. Funds will then be available for this project within the Regents 1984 allocation of the Institutional Road Fund.

The university also requested approval of a revised budget for this project.

The university requested board ratification of 14 change orders on this capital register. The change orders were on 12 different projects and ranged in price from $1,100 to $24,920. The R. J. Carver Pavilion--Phase C Completion and the Field House and Athletic Office Building Remodeling projects each had two change orders. All of the change orders were under $25,000 and none of the change orders required an increase in the project budget.

The board was requested to approve the following change orders:

University Theatre Addition
The university requested approval of a change order in the amount of $29,861 with Story Construction Company, Ames, in order to provide additional fireproofing which is necessary to meet code requirements. No budgetary adjustment would be necessary as the result of this change order.

College of Law Building
The university requested board approval of a $566,851 change order on the general construction contract with PCL Construction, Inc., of Minneapolis, Minnesota. The proposed change order involves finishing 11,500 square feet of space adjacent to the Library.

The Board Office explained that in July 1983, the board awarded the construction contract for the College of Law Building in the amount of
$15,338,670. This contract included an add-alternate which provided for the construction of 11,500 square feet of shell space. In November 1983 the board approved a revised project scope, description, and preliminary budget for the law Building. The revised project scope called for the acquisition of furnishings and equipment and completion of the additional shell space in the basement Library area to increase stack capacity. In November the university had estimated the cost of finishing this space at approximately $405,000. Negotiations had now been completed with the contractor, and the resulting additional cost for the completed work is $566,851. Vice President Ellis told Regent Murphy that the original planning had been done very rapidly after the original construction bids were received, and those estimates were low. He told her that the university felt it needed this space from the beginning but had believed it could not afford to develop the space until it received favorable construction bids, which came in $3 million below estimates. It was then that the board approved the development of the additional shell space. The additional $161,851 in expenditures for the change order will be charged to the project contingency account from which approximately $900,000 is available. No budget revision is required.

The Board Office said that, in the future, the university should establish guidelines for determining the appropriate size for a construction project early in the planning stage and adhere to these standards. In this way, construction funds may be made available to resolve other facility problems of the university. In this case, consideration should be given to using funds available from the Law Building project to complete the necessary Theatre Addition equipment project which is authorized in the bonding resolution. In addition, every effort should be made in the future to avoid requiring large change orders which involve a substantial change in the scope of a project. However, bidding this portion of the project now could result in substantial delays and the probability of higher project costs. Therefore, approval of the change order was recommended.

The university reported acceptance of five construction projects. In each case, final inspection found that the contractor carried out the construction in accordance with plans and specifications, and the work was accepted as complete. These include: Phillips Hall--Executive Seminar Room; Medical Laboratories--Air Condition Rooms 270-272; Seashore Hall--E212 Area--Environmental Improvements; University Hospitals--John W. Colloton Pavilion--Phase B--Domestic Water Booster Pump Addition; and Pharmacy Building--Roof Replacement.

The board was requested to approve the following new projects and preliminary budgets for each of these projects:

Spence Laboratories--Remodel Psychology Research Lab B7-B13
Source of Funds: General University Building Repairs $74,000.00

The Physical Plant Department will serve as engineer and inspection supervisor on this project. The construction work, which totals $28,000, will be completed by Physical Plant Shop Forces.
Oakdale Hall--University Hygienic Laboratory Remodeling  
Source of Funds: University Hygienic Lab Plant Funds and Treasurer's Temporary Investments $385,000.00

This project provides for the remodeling of approximately 7,000 square feet of space on the basement and first floor of Oakdale Hall for the relocation of the University Hygienic Laboratory from the Main Campus. In May the board approved the university's selection of Hansen Lind Meyer as architect on this project. A feasibility study identifying possible locations for the lab in Oakdale Hall was completed and accepted by the board last month. The Physical Plant Department will serve as inspection supervisor.

Treasurer's Temporary Investments will be used to pay $200,000 of the costs of this project with those funds to be repaid in two $100,000 installments due on June 30, 1985, and June 30, 1986.

CAMBUS Office Facility  
Source of Funds: Urban Mass Transit Administration Grant and Treasurer's Temporary Investments $188,600.00

This project will provide for construction of a 2,300 square foot office building for the CAMBUS system, replacing a trailer-type headquarters office building. Eighty percent of the project cost will be funded by a grant from the Urban and Mass Transit Administration with matching requirements of 20 percent coming from Treasurer's Temporary Investments. Neumann Monson Architects, Iowa City, Iowa, is the project architect, and the Physical Plant Department will serve as inspection supervisor.

The Board Office noted that the $65 per square foot construction cost appears to be high for the type of construction planned, and said the university should review the figures to make sure that the costs are appropriate.

CAMBUS Maintenance Garage Addition  
Source of Funds: Urban Mass Transit Administration Grant and Treasurer's Temporary Investments $431,400.00

This project provides for the construction of a 6,400 square foot addition to the existing CAMBUS maintenance facility. The addition will permit the maintenance and storage of the university's bus fleet indoors. Eighty percent of the project cost will be from Urban Mass Transit Administration (UMTA) grants totaling $345,120. A grant of $158,984 had been approved by UMTA and a second grant of $186,136 is pending, but is expected to be approved. The contract award will be dependent upon award of those funds. The remaining funds--$86,280--will be from Treasurer's Temporary Investments and will comply with the matching fund requirements of the grants.

The Board Office again noted that the $56.70 per square foot construction cost appeared to be above an appropriate figure for this type of building.

This project was discussed by the board in April when the university asked for approval to obtain architectural services from Neumann Monson Architects
of Iowa City. In a letter from Associate Vice President Mahon, the university responded to questions regarding the size of the architect's fee and the square foot construction cost, but a number of factors were not fully known when the letter was prepared.

Associate Vice President Mahon told the board that structures comparable to the CAMBUS maintenance building had been constructed recently in Ames and Iowa City at costs of $60 and $70 per square foot, respectively, as compared to the $56.70 estimated for this project. Among the factors contributing to the cost of construction is the Davis Bacon Act which requires that prevailing wages (i.e., union wages) be paid on this project. Ms. Mahon noted that ordinarily on a project of this small size, the contractors bidding would be non-union, but because of the provisions of the Davis Bacon Act it seemed probable that union contractors would bid on the project. Another factor affecting the cost is that there are a series of federal and state requirements to be met.

With respect to the CAMBUS office building, Ms. Mahon said this is also subject to the Davis Bacon Act. Again, she cited a comparable structure, noting that a recent federal administration building in Iowa was constructed for $101 per square foot, as opposed to the estimated $65 per square foot for this structure. The university believes that the cost of the garage and office building are lower than comparable facilities built in Iowa in the past year or so which were dictated by provisions of federal law.

Engineering Building--Particle Technology Research Lab Remodeling--B252
Source of Funds: General University Building Repairs $110,000.00

The Physical Plant Department will serve as project engineer and inspection supervisor. The construction work will be accomplished by public bidding.

Multi-Use Electronic Communications Cable Installation
Source of Funds: Energy Management System--Building Automation and Treasurer's Temporary Investments $202,700.00

This project will complete the installation of an electronic communications system around the campus. This is the final phase of a project that has been installed in small sections by campus personnel. The university wished to make the last phase considerably larger in order to speed up the completion of the system. This is desirable in order to connect the energy management system and a new communications/telephone system under study.

The university recommended that the installation labor be provided by Physical Plant forces. Because of their familiarity with the tunnel system, detailed plans would not be necessary. If the work were performed by a private contractor, the university would incur considerable engineering costs preparing the necessary detailed plans. The university therefore requested permission to use in-house Physical Plant forces to carry out the installation of the cable and related electronics. All material will be purchased by competitive quotation. The Board Office recommended approval of the project and concurred with the university's recommendation that the work be accomplished by Physical Plant personnel.
Funding for this project is $100,000 from Energy Management Systems--Building Automation (which is an Iowa Energy Policy Council grant made available with funds from the federal Department of Energy) and $102,700 of Treasurer's Temporary Investments to be reimbursed through charge-backs to users over a four-year period.

The board was requested to take action on the following consultant contracts:

University Hospitals--Radiology Relocation and Renovation
The university requested ratification of its selection of Hansen Lind Meyer, P.C., Iowa City, Iowa, to provide architectural services on this project. Total compensation shall not exceed $24,000.

University Hospitals--General Hospital Fire Safety Projects
The university requested ratification of its selection of Brown Healey Bock, P.C., Cedar Rapids, to provide architectural services on this project with total compensation not to exceed $3,050.

University Hospitals--Southeast Addition--Window Wall Project
The university requested ratification of its selection of Neumann Monson Architects, Iowa City, to provide architectural services on this project. Total compensation shall not exceed $6,745.

Hydraulics Research Wind Tunnel Annex
The university requested ratification of an increase in compensation to Shive-Hattery Engineers, Iowa City, to provide additional engineering services on this project. The increase in compensation shall not exceed $21,000.

Communications Facility--Site Development
The university requested ratification of its selection of Crose-Gardner Associates, Des Moines, Iowa, to provide architectural services on this project with total compensation not to exceed $15,200.

Indoor Practice Facility
This project consists of several components. First, the university recommended ratification of its selection of Shoemaker & Haaland, Professional Engineers, Coralville, to provide site survey services and prepare contour mapping for the facility. Total compensation for this contract shall not exceed $11,014.

Second, the university requested approval of its selection of Thorson-Brom-Broshar-Snyder, Waterloo, and Shive-Hattery Engineers, Iowa City, as project architects for the outdoor track and field facility relocation.

Third, the university requested approval of its selection of Stanley Consultants Co., Muscatine, and Wehner Nowysz Pattschull & Pfiffner, Iowa City, as project architects for the indoor practice facility.

The university indicated that the latter projects will need further study and refinement before it is possible to establish the exact scope and
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budget necessary to set design fees. Therefore, the university requested permission to negotiate standard full-service agreements for consideration by the board at the September meeting.

Psychiatric Hospital--HVAC Revisions
The university requested ratification of its selection of Beling Consultants, Inc., Moline, Illinois, to provide engineering services on this project. Total compensation shall not exceed $7,515.

University Hospitals--Kidney Lithotripter Installation
The university requested ratification of its selection of Marske-Schardein & Associates, Bettendorf, to provide engineering services on this project with total compensation not to exceed $4,000.

The board was requested to approve the following additional new project and hear a presentation from the consultants on the following project:

Iowa Memorial Union Remodeling

The Board Office reported that this project involves a major renovation of a portion of the Iowa Memorial Union. The university, working with a consultant, had developed this project to a point where it was deemed ready for presentation of conceptual plans to the board. The university intended to provide an orientation tour of the building and then offer a presentation by the architects for the project, Bussard/Dikis Associates, Des Moines.

The university would return to the board at a subsequent meeting with a preliminary project description and budget which would be submitted for board approval. The Board Office said that, in addition, a program for the remodeling should be brought to the board for approval. Further, a great number of financial questions were yet to be resolved. Therefore, the Board Office recommended that the university work with the Board Office in developing a clear financing plan before preliminary plans are brought to the board.

Vice President Ellis said the university's purpose in placing the Union remodeling project on the capital register was to inform board members of progress on the project and to give them an opportunity to hear about the project in its early stages. If the board felt that it needed additional information after the architect's presentation, the university would provide it.

As to the Board Office recommendation concerning financing, Mr. Ellis said he wished to tell the board of the university's efforts to date. As planned at this time, the university intended to offer an $8 million bond issue under the provisions for self-liquidating facilities. This would be preceded by defeasance of the outstanding Hancher Auditorium bonds in the spring of 1985. This defeasance would be accomplished through various sources of funding, including the bond reserve on Hancher Auditorium. The university would transfer student fees currently supporting Hancher to the new bonds, freeing $8 per semester per student and $5 per summer session per student now used for the Hancher bonds. In addition, there is a $1.72
per semester and $1.03 summer session student fee which is labeled develop­
mental fee for debt service for the Union renovation. After consultation
with bond counsel, it became apparent that there was still not quite
enough money. Therefore, after discussions with student leaders, the
university planned next year to recommend an additional fee of $2.50 per
semester and $1.81 per summer session for additional coverage for debt
service for the bonds. One other source of funds would be income from
the Memorial Union Bookstore of $300,000 per year. The university also
has investigated some creative ways to enhance its finances for this project
such as converting the long-term debt into a short-term debt and paying
the short-term rate, but it was not yet at the point of making a recom­
mendation on this point. The university would continue to work with the
Board Office and bond counsel on the entire financing plan. Mr. Richey
reminded the board that the proposed additional student fee would come
out of money normally going to the general operations budget of the
university. Vice President Ellis told Regent McDonald that the univer­
sity did not contemplate using any other source of funds than bonds.

Board members and Board Office staff were guided on a tour of the Memorial
Union by university personnel. Richard Gibson, Director of Facilities
Planning for the university, told the board that because the board is
concerned about lack of involvement in capital projects in the early
stages, representatives from Bussard/Dikis were present to tell board
members of progress to date in planning for this project. He introduced
Ken Bussard and Rod Kruse from Bussard/Dikis Associates.

Mr. Bussard cautioned the board that the sketches he was going to show
were not plans but spatial relationships. He told board members they were
in the very early stages of this project. Schematic design is the first
15 percent of a project, and the architects were not even through that
stage yet. However, the procedures gone through to date were typical
of a project of this size, and he would share these steps with the board.
The firm spent three days in the building and studied its functions and
uses thoroughly. The architects met with the various user groups. They
had to ask questions and hear the needs expressed by the users. The firm
was given directions on priorities by the university. Taking these directions
and the wishes expressed by the users, the architects prepared four different
proposals for remodeling the Union at costs ranging from $10.1 million to
$23.5 million. After presenting these and being informed by the university
that the budget would be $8 million, the architects went back to their
plans and reworked them. Mr. Bussard then showed the board what could be
done with a budget of $8.5 million.

Mr. Ellis said that the university made the decision it was not prepared
to recommend to the board a project of the magnitude of the original
proposals, but he did not intend this as a criticism of the architects. They
were responding to the university's objectives, and had presented alter­
native plans in response to the university's request.

Regent McDonald asked if the new plan would address the problem of noise in
the Iowa House. Mr. Bussard said the newly renovated Iowa House was really
not included in the Union remodeling plans, but he thought some of the noise
problems could be alleviated.
Regent Anderson asked if the service dock was going to be moved from the river side of the building. Mr. Kruse said the Union has no back door, and there is no good place for service entries, even though the architects would like to make more of the river side of the building. The room the board was currently meeting would be the Bookstore holding area. Regent Anderson commented that it would be a shame to lose the use of this room, but Mr. Bussard reminded her that it was not usable anyway when there were trucks outside, unloading at the dock. There must be a staging area for books and food supplies brought into the building although they were sorry to lose any part of the river view.

Regent Murphy regretted cutting expenditures in the one place on campus seen and used by everyone, students and visitors alike. She felt this was a place where more money should be spent, but could offer no solution for financing.

Mr. Kruse said this will be a fine project when it is finished, and persons who don't know what was left out from the more elaborate plans will be pleased when they see what has been done. Mr. Bussard added that as presented to the board he realized that the architects had taken a rather negative approach in their attempt to show the board just how these plans were evolving. However, this is an exciting project, and he wanted board members to realize that whatever amount is spent the result will be exciting. There will be a tremendous change in the building. Going back to the oldest part of the building and pulling out the fine architectural features there will do marvelous things.

Regent Harris said he advised the university to figure out how to raise enough money to do the project the way it should be done.

Vice President Ellis said that the current proposals delete some of the wish list presented by the user groups, but none of the plans under the current budget would be inconsistent with doing more of the things on that wish list if the university subsequently found that it could do so. One dream of the university is to take advantage of the river front and re-orient the building's exposure, but the remodeling as planned is not inconsistent with that.

Mr. Richey commented that it appeared that a new service dock on the river side was inconsistent with that goal. Mr. Ellis said that, given the fact that the Union has no back door, the alternative seemed to be bringing in service underground. Given the cost of that alternative, the university decided it was not feasible. Mr. Bussard said that even if the service areas remain on the river side, there is opportunity to push out in other areas more toward the river. In answer to questions from board members, Mr. Kruse said the new staging area would be improved. It would be oriented to the south, with the drive rearranged for easier access for trucks.

Regent Anderson said it was very helpful to be given a chance to see the project in this early stage. She knew she would have had many questions later, which this presentation had answered. Mr. Kruse said architects like to make these presentations and answer questions because it helps them make decisions.
Mr. Bussard said his firm had been on a lot of campuses, and he knew that the University of Iowa is blessed with a fantastic location. The Memorial Union is really an incredible facility, which makes this project very exciting.

Regent Murphy said this reinforced her earlier statement that this project should have been one of the priorities of the board. Mr. Ellis reiterated that none of the current plans precluded addressing additional improvements later.

Mr. Richey asked if the detailed project descriptions and the budget would come to the board in September. Mr. Ellis thought it would not be quite that soon.

Regent Harris said President Brownlee had been required to leave the meeting, so on behalf of the board he thanked the university and the architects for this informative presentation.

MOTION: Dr. Harris moved that the board approve the Register of Capital Improvement Business Transactions for July 1984; ratify award of construction contracts made by the executive secretary; award the construction contract; reject the bids on the Macbride Hall Building and Fire Safety Improvements; approve the revised budget; approve the contract change order for the College of Law Building; accept the completed construction projects; approve the new projects and preliminary budgets; approve the use of Physical Plant labor; ratify and approve the consultant contracts; approve negotiation for agreements for architectural and engineering services; and authorize the executive secretary to sign all necessary documents. Mrs. Anderson seconded the motion and it passed unanimously.

LEASES OF PROPERTY. It was recommended that the board approve the lease with St. Luke's Regional Medical Center, Sioux City, Iowa.

The Board Office explained that the renewed lease will provide 420 square feet of office space for the university's Sioux City Regional Child Health Specialty Clinic. The university reported that the rent rate will be increased by 4.8 percent. With the increase in the number of square feet used by the program, the increase in the cost of rent for the program will be 73 percent. The present staff of a secretary and a pediatric nurse practitioner will be increased to include a registered nurse. With three full-time staff and the provision of desk space for the northwest Iowa program representative of the Specialized Child Health Services, the increased space was needed, according to the university.
The university reported that the increased cost of this program (rent and the addition of the registered nurse) will be paid by a federal grant received by the program.

The university reported that pursuant to Executive Order No. 44 no vacant schoolhouses were available which met the program and space needs of the university.

MOTION: Mr. McDonald moved that the board approve the lease with St. Luke's Regional Medical Center, Sioux City, Iowa, for the use by the university of 420 square feet of office space on the ground floor of the west building of the Center from August 1, 1984, to and including July 31, 1985, at a total rent of $1,600 for the term. Mr. Van Gilst seconded the motion and upon the roll being called, the following voted:

AYE: Anderson, Duchen, Harris, Jorgensen, McDonald, Murphy, Van Gilst, Brownlee

NAY: None

ABSENT: Neu

JOHN F. MURRAY ENDOWMENT FUND. The university reported that there was no activity for the year ending June 30, 1984.

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

PURCHASE OF ELECTRICITY FROM IOWA-ILLINOIS GAS AND ELECTRICITY COMPANY. Vice President Ellis reported that the university had arranged with Iowa-Illinois for the purchase of interruptible power which will replace some of the power now generated by the university. As a result of negotiations between university and utility, Iowa-Illinois determined that it could supply the interruptible power below what it costs the university to generate its own power. This will result in significant savings in the fuel and purchased electricity budget as well as relieving some of the load on the university's aging boilers. Mr. Ellis said this agreement will go into effect on August 2, 1984, although the university would not get full benefit until some minor construction is done.

TELEVISION COVERAGE OF ATHLETIC EVENTS. Regent McDonald commented on the recent Supreme Court decision voiding the NCAA's television plan because it violated the Sherman Anti-Trust Law and artificially inflated prices. He asked for information on the long-term economic manifestations for the Board of Regents.

Associate Vice President Mahon said she had just returned from a meeting of the NCAA. The concern at this meeting was how to market the television rights for this year only. A package plan for a "window in time"
to the networks was defeated in spite of Big Ten support, which meant that each university must look for other methods to market its product to continue to have television income. In the view of the Big Ten representatives, this could best be accomplished by a syndicate agreement with MetroSports to have the broadcast rights to all Big Ten and Pacific-10 football games for the next year. Ms. Mahon reiterated that this agreement is for the coming year only. Ms. Mahon told board members that last year the University of Iowa earned $750,000 from television rights. Through the agreement with MetroSports, it expected to earn between $300,000 and $500,000.

President Freedman said the presidents of the Big Ten institutions held a lengthy conference call to discuss the implications of the Supreme Court decision, and are united on a number of premises. The first is that the Big Ten will act as a group, even though individual action might be financially advantageous for some schools. Further, the Big Ten wants to keep a productive relationship with the Pacific-10 for the Rose Bowl. Third, the heads of the Big Ten institutions felt it important to protect the smaller institutions throughout the country. Small schools are not always able to fill their stadiums if there is a big game on television. In the past, they would have been compensated for this under the NCAA's plan. A final premise is that the Big Ten retain faculty control of athletics rather than placing these activities under the control of athletic departments.

President Brownlee asked if board members would like to have the business officers of the three Regent universities keep them informed of any impact in this area. Regent McDonald felt this would be advisable, because the board has ultimate responsibility for all programs at the universities.

MC BRIDE FIELD CAMPUS. Vice President Ellis said the Army Corps of Engineers had approved a five-year lease with the university for the McBride Field Campus. The details of that lease were still being worked out, and the university expected that this would come to the board at the September meeting. If the Corps wanted this action before the September meeting, the university would request a telephone meeting.

Regent McDonald noted that this lease had been approved for 5 years, as opposed to the previous lease of 25 years. He asked if this was intended to serve as a trial period to see whether or not the university could manage the Field according to the desires and intent of the Corps.

Vice President Remington said the university had itself considered the advantages of a 5-year lease because it is engaged in a new set of programming, although it had eventually requested a 25-year lease. The university is confident of its ability to put this new programming into place, and after the 5-year trial period allowed by this lease the university will again be in a position to apply for a 25-year lease.

President Brownlee announced that Regent Duchen was ill and was excused from the afternoon session of the board meeting.
IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Thursday, July 12, 1984.

FINAL BUDGETS FOR 1984-85. It was recommended:

1. That the Iowa State University final general program operations budgets for 1984-85 be approved as follows:

   General University
   Agriculture & Home Economics Experiment Station
      Including:
      Meat Export Policy & Research Center 200,000
      Food Crops Research Center 200,000
      Alternative Crops 22,000
      Western IA Horticulture Research Center 60,000
      Muscatine Island Research Center 50,000
   Coop. Extension Serv. in Ag. & Home Economics
      Including:
      Computer Software Dev. & Field Staff Train. 200,000
   State Extension Fruit Specialist 35,000

   TOTAL


   $149,634,182
   15,101,764
   200,000
   200,000
   22,000
   60,000
   50,000
   18,584,336
   200,000
   35,000
   $183,320,282

2. That the University Housing System budget of $22,375,299 be approved.

The Board Office reported that the Iowa State University general university final budget of $149,634,182 is $100,000 above the preliminary budget approved by the board in May 1984. This increase is the result of the university's reassessment of estimates of Other Income. The total budgets of the university's other operating units are unchanged from those approved in preliminary budgets in May.

The Board Office commended Iowa State University for the thoroughness of its final budget report, which provides the information necessary for the board in the form requested and which was provided to the Board Office in a timely fashion. The university's exhibits included detailed discussions of the final budgets and any changes within categories from the approved preliminary budgets.

General University. The general university's total income budget of $149,634,182 includes $100,970,182 in appropriations and $48,664,000 in institutional income. The proposed final operating budget was increased by $100,000 over that approved by the board in May due to an increase in estimates of Other Income. The university believes that interest rates in
the coming year may be somewhat higher than originally projected, providing increased General Fund earnings from Treasurer's Temporary Investments. However, the university also noted that it continues to have concerns as to whether its original estimates for indirect cost overhead reimbursement may have been overstated.

Institutional general fund income also includes student fees estimated at $44,497,000, an increase of $7.8 million over the 1983-84 original budget and $6.6 million over the revised 1983-84 budget. The university included added income based on new enrollments as well as on tuition increases. The Board Office said the tuition estimates may still be understated, as average increases per FTE student could be expected to be greater than those projected by the university. The university projected a fall 1984 headcount enrollment of 26,470, an increase of 450 over the fall 1983 headcount.

Changes from the preliminary budget in expenditure categories include an increase in Salaries and Fringe Benefits and a decrease in the Supplies and Services budget. The increases in Salaries and Fringe Benefits result from a number of adjustments and program changes. The university indicated that faculty and institutional official salaries were increased by the base salary appropriation of 6.6 percent and that faculty promotion increases provide an additional 0.2 percent. Vitality and Quality Funds provide for additional increases on a merit basis. Additional adjustments were made in areas such as engineering, computer science, and business administration in which it is particularly difficult to attract qualified staff.

The Board Office said the university provided a listing of significant changes in permanent and temporary positions by department. As reported previously, the major additions are in the College of Engineering and the College of Business Administration. The university indicated that $550,000 in Educational Excellence Funds have been specifically committed to the areas of Engineering, Business Administration, and Computer Science, with additional adjustments made from institutional income. The university also reported on increased funding for temporary teaching appointments, to be allocated to the colleges as enrollment information is developed.

The Board Office conducted a random sampling of faculty salaries and found that Regent salary policy was generally followed in allocating the increases.

The proposed final budgets for fuel and purchased electricity, equipment, books, and building repairs were identical to those approved in the preliminary operating budget. The supplies and services budget is $198,501 less than the university's preliminary budget estimate. The university indicated that the adjustments include a transfer of salaries budgeted as supplies and services to the appropriate salaries and wages base in the professional and scientific category.

Agriculture and Home Economics Experiment Station. The total amount for the final budget for the Agriculture and Home Economics Experiment station of $15,101,764 was unchanged from the preliminary budget approved in May.
Adjustments from the preliminary budget were made in the salary and fringe benefits category in order to fund the Experiment Station's share of salary adjustments. Although the Experiment Station does not participate in the Regents Quality and Vitality Fund, salary increases comparable to those provided by the general university were provided by making appropriate adjustments in salary splits between the general university and the Experiment Station. Policies consistent with those of the general university were also applied to the P&S and merit system staff.

The university provided material showing significant changes in permanent and temporary positions. A net FTE of 2.9 permanent positions were added and a total of 11.2 FTE were added in temporary positions in connection with programs funded by special appropriations. These included positions established for the Meat Export Policy Center, the Food Crops Research Center, and the Western Iowa Horticultural Research Center. The university noted that continuation of these programs and personnel are contingent upon continued appropriations.

The supplies and services category in the final budget was reduced by $73,575 in order to fund fully salary increases. The equipment and building repairs budgets were the same as in the approved preliminary budget, but both represent decreases from both the original and revised 1983-84 budgets. The university indicated its concerns with critical needs in both of these areas.

Cooperative Extension Service in Agriculture and Home Economics. The final budget is in the amount of $18,584,336, identical to the total preliminary budget approved by the board in May.

Total resources for the Cooperative Extension Service include nearly $11.0 million in state appropriations and $7.6 million in federal funds. Federal funds reflect revised estimates of the proposed federal budget for the Smith-Lever program. State appropriations include $1,073,789 in salary adjustment funds and two special purpose appropriations as shown below:

<table>
<thead>
<tr>
<th>Appropriation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Extension Fruit Specialist</td>
<td>$35,000</td>
</tr>
<tr>
<td>Computer Software Development &amp;</td>
<td></td>
</tr>
<tr>
<td>Field Staff Training</td>
<td>$200,000</td>
</tr>
</tbody>
</table>

Regent Anderson asked why a small item like the Fruit Specialist had a separate listing. Vice President Madden said that since this appropriation was made by the Legislature for this specific purpose, the university had earmarked it in its budget report. Regent Van Gilst asked if, in such cases, legislative approval was sufficient without further board approval. Mr. Richey explained that under the stipulations of Chapter 262 of the Code the board has authority for expenditure and allocation of funds. Vice President Madden said that if the board did not approve items mandated for a specific purpose by the Legislature, the money appropriated would revert to the state, because the Regents did not have authority to reallocate such funding. He noted that the bill authorizing funding for the Fruit Specialist had not mandated that the money must be spent, although some bills did contain this stipulation.
The university reported that salary patterns for the Cooperative Extension Service are the same as the general university. Salary adjustments were accommodated through internal reallocations and adjustments in the support received from county extension funding. A net gain of one permanent position was reported, and two temporary positions were listed in connection with programs funded by special appropriations.

Other adjustments in the preliminary budget included an increase in supplies and services and a decrease in the equipment budget. The university reported that these changes were the result of reassessment of the need for adequate funding in the supplies and services base.

Special and Supplemental Appropriations. In addition to the special purpose appropriations noted above, additional special purpose and supplemental appropriations are budgeted for specific project and program areas at the university. These include the following:

- Fire Service Education: $200,000
- Water Resource Research: 135,000
- Livestock Disease Research: 300,000
- CIRAS--Small Business Development Center: 500,000

In addition, as recommended in the preliminary budget, Iowa State University's share of the Regents appropriation for Western Iowa Continuing Education is $62,060.

Other Programs. The university provided estimates of its restricted funds including primarily federal funds, sales and services, and non-federal gifts and grants. The university noted considerable uncertainty with respect to federal budget policies, but estimated a total restricted fund budget of $116,400,000 for 1984-85, compared to $148,489,000 for 1983-84.

The board had previously accepted a preliminary Residence System budget, subject to further review at the time of approval of final operating budgets. The university now indicated a projected total residence system income of $22,375,299, identical to that of the preliminary budget. The Board Office recommended approval of the Residence System budget.

The Board Office noted that the Iowa State University budgets reflect an emphasis on merit and competition-based salary increases and a programmatic emphasis on high demand academic areas. It recommended approval.

Mr. Richey added that the university did a superb job of presenting program information on what the institution plans to do this current year. Its report is a model that should be followed by all the institutions.

MOTION: Mr. McDonald moved that (1) the board approve the Iowa State University final general program operations budgets (as noted in the recommended action) totaling $183,320,282; and (2) that the
board approve the University Housing System budget of $22,375,299. Mrs. Anderson seconded the motion and it passed unanimously.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for June 1984 were ratified by general consent of the board.

OTHER PERSONNEL TRANSACTIONS. The university requested approval of the following appointments:

Dean L. Isaacson as acting head of the Department of Statistics and acting director of the Statistical Laboratory, until a regular head and director is appointed, effective July 1, 1984. Salary as budgeted.


MOTION: Mrs. Anderson moved that the board approve the appointments of Drs. Isaacson and Ebbers. Mr. Duchen seconded the motion and it passed unanimously.

LEASES OF PROPERTY. It was recommended that the board approve a four-month extension of the current lease with the Grant Wood Area Education Agency for the period September 1, 1984, to December 31, 1984.

The Board Office explained that the Cedar Rapids Area Extension Office has been at its present location since January 1, 1970. The office now needs larger quarters and is seeking to locate office-meeting space which can be rented at approximately the same rate per square foot as the Grant Wood AEA provides. While seeking such quarters, the university negotiated an extension of its present lease.

MOTION: Mr. Duchen moved that the board approve a four-month extension of the current lease with the Grant Wood Area Education Agency for the period September 1, 1984, to December 31, 1984, for approximately 1497 square feet of office-meeting space at 4401 Sixth Street, S.W., Cedar Rapids, at a rate of $4.41 per square foot per year ($2,200 for the four-month term). Mrs. Murphy seconded the motion and upon the roll being called, the following voted:

AYE: Anderson, Duchen, Harris, Jorgensen, McDonald, Murphy, Van Gilst, Brownlee

NAY: None

ABSENT: Neu
BURKEY FARM, LAND PURCHASE. It was recommended that the board authorize the purchase of the Burkey Farm in Boone County from the Iowa Crop & Soils Research Association for $850 per acre of $130,000, subject to the Executive Council's approval.

The Board Office explained that in 1971, Iowa State University's Agronomy and Agricultural Engineering Research Center in Boone County was disrupted by the relocation of Highway 30. At that time, the Iowa Highway Commission took approximately 30 acres of the research farm for the highway project. Reimbursement for the 30 acres acquired by the Highway Commission was not settled until May 7 of this year when the Department of Transportation provided Iowa State University with an $130,000 settlement award.

Following the loss of the 30 acres to the highway project in 1971, the Iowa Crops & Soils Research Association (an affiliated non-profit corporation) acquired a 153 acre tract of land in Boone County known as the Burkey Farm and rented it to Iowa State University for purposes of continuing the activities of the Research Center. Now that the Department of Transportation had provided ISU with the $130,000 settlement, ISU officials are prepared to purchase the Burkey Farm.

A farm management firm from Boone County assessed the current value of the Burkey Farm at $2,100 per acre, or $321,000 in fair market value. The Research Association offered to sell the land to ISU at $850 per acre, or $130,000. This price is well below the fair market value of the land and is identical to the settlement award received from the Department of Transportation. Therefore, no additional funds are necessary for the purchase of Burkey Farm.

The Board Office recommended approval of this purchase, subject to Executive Council approval required under Chapter 262.10 of the Iowa Code.

MOTION: Mrs. Jorgensen moved that the board authorize the purchase of the Burkey Farm in Boone County from the Iowa Crop and Soils Research Association for $850 per acre or $130,000, subject to the Executive Council's approval. Dr. Harris seconded the motion and upon the roll being called, the following voted:

AYE: Anderson, Duchen, Harris, Jorgensen, McDonald, Murphy, Van Gilst, Brownlee

NAY: None

ABSENT: Neu

NORTHWESTERN BELL TELEPHONE COMPANY EASEMENT. It was recommended that the board approve the proposed easement with Northwestern Bell Telephone Company.

Some time ago, the Northwestern Bell Telephone Company buried telephone cable across a portion of the Iowa State University campus in order to
serve the residential development south of the campus. When the cable was buried, the company did not receive an easement from the university. The proposed easement would provide the Northwestern Bell Telephone Company with the legal rights necessary to utilize this buried telephone cable now on the campus.

In consideration for granting this formal easement, Northwestern Bell Telephone Company will be providing appropriate reductions in the telephone tariffs to the South Campus of the university. This should result in a savings to the university of between $15,000 and $20,000 per year in telephone charges.

The proposed agreement is necessary to provide telephone service to residential customers south of the campus and provides appropriate compensation to the institution. The Board Office recommended approval.

MOTION: Mrs. Anderson moved that the board approve the proposed easement with Northwestern Bell Telephone Company. Mrs. Murphy seconded the motion and upon the roll being called, the following voted:

AYE: Anderson, Harris, Jorgensen, McDonald, Murphy, Van Gilst, Brownlee

NAY: None

ABSENT: Neu

ABSTAIN: Duchen, as a director of the Northwestern Bell Telephone Company

LEASES OF PROPERTY. It was recommended that the board approve the lease with Alan Zuckert for the use of approximately 3,300 square feet of space at 2111 Grand Avenue, Des Moines, for an initial term of five years, commencing August 1, 1984, for the use of WOI-TV.

Presently space is leased for the Des Moines operations of WOI-TV in the Insurance Exchange Building. The lease for that space expires August 1, 1984. The university reported that WOI can no longer conduct its daily business in an adequate and professional manner in the space it presently occupies. While additional space is available at the present location, it was deemed unacceptable because (1) the rental rate would be increased from $8.00 to $11.00 per square foot per year; (2) the cost of parking the news vehicles is escalating to unacceptable levels at the present location; (3) the parking available to staff, visitors, and business people needing access to the WOI offices is not acceptable; and (4) the proposed construction projects in the downtown area, if completed, would block the microwave access to and from Ames.

The university located a facility at 2111 Grand Avenue, Des Moines, which meets its requirements for WOI and resolves each of the problems noted above. The proposed lease provides for 3,300 square feet of space at an
initial rate of $9.00 per square foot per year. For the initial five-year term of the lease, the rental rate increases by 25¢ per square foot per year each year to $10.00 per square foot per year in the last year of the lease. The landlord pays all utilities including heat, except that the tenant agrees to pay 80 percent of the actual charges for electricity each month.

The lease provides for two five-year extensions, at the tenant's option. For the first five-year extension the rate is determined by the Consumer Price Index in the last year of the preceding term. If the university elects to continue the lease for the second five-year extension, the rental rate will be as mutually agreed. If no agreement can be reached, appraisers will be used to establish a rate.

The lease provides for WOI to increase the space it occupies in the new facility as the space becomes available on the basis of the right of first refusal.

The university reported that, as the WOI operation is an auxiliary enterprise, the costs associated with the proposed lease will be paid from WOI-TV revenues.

Mr. Wright explained that, because of difficulty in coordinating working schedules, the Board Office and university had not been able to discuss some aspects of the proposed lease, and the Board Office memo had therefore raised a number of questions. The technical questions had now all been answered to the satisfaction of the Board Office.

Assistant to President Crawford said he would answer the other questions raised by the Board Office. First, as to the changes in WOI-TV operations that require this new lease, he said WOI-TV does intend to expand its operations, news staff, and production staff, so additional space is needed, and this is not available in the present building. The university is pleased this new space is available. It considers the rent reasonable and the building convenient and accessible. WOI-TV will occupy 52 percent of the space available in the new quarters. However, since the station needs electricity for 24 hours a day, it agreed to pay 80 percent of the bill. The university considers this an accurate and fair figure.

Another question raised by the Board Office concerned Executive Order No. 44. Mr. Crawford said the university did hold conversations with the Des Moines Schools and learned that there were three buildings available, but none met the requirements of WOI-TV.

MOTION: Dr. Harris moved that the board approve the lease with Alan Zuckert for the use of approximately 3,300 square feet of space in the building known as 2111 Grand Avenue, Des Moines, for an initial term of five years, commencing August 1, 1984,
IOWA STATE UNIVERSITY
July 12, 1984

with an option to renew for two additional five-year terms, at an initial rate the first year of $9.00 per square foot per year ($29,700 annual rent) and increasing 25¢ per square foot per year each year of the initial five-year term. Mr. Duchen seconded the motion and upon the roll being called, the following voted:

AYE: Anderson, Duchen, Harris, Jorgensen, McDonald, Murphy, Van Gilst, Brownlee

NAY: None

ABSENT: Neu

STATUS REPORT ON NEGOTIATIONS ON ELECTRIC SERVICES AGREEMENT WITH THE CITY OF AMES. It was recommended that the board:

1. Receive the report, and

2. Request the university to seek an agreement with the city of Ames to construct an appropriate tie line between the city and the university as well as an interconnection with the electrical grid.

As background, the Board Office said Iowa State University is faced with an electricity supply problem. During the summer of 1985, the university anticipates that the Mechanical Engineering Building will be opened for operation. The demand for electricity from this building will cause the university's power supply to be approximately 2 megawatts below the required electrical generation reserves. With the anticipated addition of the Soil Tilth Laboratory, the Agronomy Addition, and future projects relating to the old Veterinary Medicine Clinic and the Home Economics Building, the university anticipates a substantial increase in electrical demand in the future. It was estimated that the peak demand for the university will go from 25 megawatts in the summer of 1985 to 40 megawatts by the year 2000, an increase of 60 percent.

This increase in electricity demand comes at a time when the capacity of the university's power plant is limited. The university's boilers are aging and at least one may be permanently out of service. In addition, the university cannot efficiently produce electricity at a point beyond which it has need for the co-generated steam. When the university is forced to generate electricity without using the steam, the costs of producing that electricity become exorbitant. Therefore, the university is faced with limited alternatives in an effort to meet these coming electrical supply problems. These include.

1. Build Additional Electrical Generating Capacity

While there will be a need to maintain capacity to produce steam in relation to the addition of new buildings to the campus, constructing additional electricity generating capacity would not be a cost-effective approach. Moreover, the capital costs associated with constructing
new electrical generating capacity and the limited availability of capital resources make this option unreasonable. The state at the present time has excess generating capacity which is not being utilized. As a result, it would be unwise for the university to construct additional generating capacity.

2. Construct an Interconnection with the City of Ames and Purchase Electricity from the City

The city of Ames currently has excess generating capacity as a result of the recent construction of new generating facilities. However, the interconnection between university and city is not sufficient to allow the university to purchase substantial amounts of electricity from that municipal utility. The Regents Committee on Efficiency and Cost Effectiveness recommended that the city and university construct an electrical interconnection with appropriate capacity to transfer loads between the two units. The construction of such an interconnection could provide the university with the necessary electricity to service its needs over the next several years.

The university has been in the process of negotiating with city officials regarding an improved electrical interchange as well as an agreement to purchase electricity. The university reported on the results of these preliminary discussions. The terms include:

- the construction of a 69-KV tie line at an estimated cost of $1 million between the ISU power plant and the city of Ames power plant;
- a contract to supply 10 megawatts of firm power to the university at a cost of $6.19 per kilowatt hour per month, to be adjusted on the basis of actual cost and financing of the tie line;
- payment for the estimated $1 million cost of the tie line by the university with title to be held by the city;
- an agreement to consider the construction of an outside tie line to the electrical grid;
- an agreement to require each party to maintain at least a 15 percent power reserve, with the university to purchase additional reserve from the city, if necessary;
- and arrangements to provide for the purchase of economy power to the extent that power is available from the city or from external utilities.

The Board Office said the major disadvantages of this approach appeared to be the fact that the university will be required to finance the construction of the tie line without being able to take title to it. In addition, this five-year agreement may foreclose the possibility of the university purchasing cheaper power from the grid. However, the proposal does have several advantages: it makes certain that the
university's short-term needs for electricity will be met, and it provides for these needs at a reasonable rate with firm power (a power source that cannot be interrupted). The $6.19 per kilowatt hour quote provided by the city for this firm power is a rate which compares favorably with similar rates quoted by other utilities in the state.

3. Purchase Power Directly from the Electrical Grid

The Regents Committee on Efficiency and Cost Effectiveness recommended that the Board of Regents investigate the possibility of purchasing electrical power directly from the grid. However, the ability to purchase from the grid is blocked by two obstacles: the need to obtain clear legal authority to purchase from the grid (the city of Ames claims that the university is within its utility franchise area); and the need to obtain the necessary construction funds to build the tie line to the grid which was estimated could cost up to $4 million.

The Board Office said it was apparent that the option to construct additional generating capacity is out of the question because of the very high upfront construction costs. The purchase of power directly from the electrical grid system may be blocked by both legal and financial constraints. Therefore, the university proposed to move forward with its agreement with the city. The Board Office recommended that the board instruct the university to continue these negotiations with the city in an effort to meet the university's short-term electrical needs. In addition, the university should make every effort to secure an agreement from the city to jointly construct a tie line to the electrical grid system so that both the university and the city can purchase economy power from the electrical grid system. This could be in the interest of city as well as university, and is important to secure a solution for the university's long-term electrical generating needs.

Vice President Madden said that unless the board indicated a major problem with the direction of the university, it would proceed with its negotiations and return to the board in September for action on an agreement with the city of Ames. He said that, in principle, the university had no difficulty with the Board Office recommendations. Both city and university agree on the importance of the connection with the grid. The difficulty is in the details of that arrangement. At the moment the university has limited options. The city of Ames is the only place the university can connect. The Efficiency and Cost Effectiveness Committee recommendations on utility purchases from the grid are valid but the university feels it must move ahead with this current proposal to have adequate electrical service for the new buildings coming on line. This appears to be the best solution for the short term. Philosophically, there continue to be differences between the city and the university on how the university should deal with the external world (i.e., the grid): directly or through the city. The university hoped this could be worked out but there were some difficult problems.

Regent Harris said that since it appeared that no better arrangement was possible at this time, he would move the recommended action.
MOTION: Dr. Harris moved that the board (1) receive the report on status of negotiations on electric services agreement with the city of Ames; and (2) request the university to seek an agreement with the city of Ames to construct an appropriate tie line between the city and the university as well as an interconnection with the electrical grid. Mrs. Anderson seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final register for June 22 through July 12, 1984, had been received, was in order, and was recommended for approval.

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

**Friley Hall Renovation--Phase 4--Courtyard Addition**

<table>
<thead>
<tr>
<th>Contract</th>
<th>Description</th>
<th>Award to</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>#2</td>
<td>Doors, Frames, and Hardware</td>
<td>Kurtz-Walsh Builders Hardware Co., Des Moines</td>
<td>$39,882.00</td>
</tr>
<tr>
<td>#3</td>
<td>Wardrobes</td>
<td>Ames Woodworking, Inc., Ames</td>
<td>$22,388.00</td>
</tr>
<tr>
<td>#4</td>
<td>General Construction</td>
<td>Webster Construction Company, Fort Dodge</td>
<td>$354,000.00</td>
</tr>
<tr>
<td>#5</td>
<td>Roofing and Sheet Metal</td>
<td>Backman Sheet Metal Works, West Des Moines</td>
<td>$67,935.00</td>
</tr>
<tr>
<td>#6</td>
<td>Metal Framed Construction, Fireproofing, and Ceilings</td>
<td>Central Iowa Construction Services, Des Moines</td>
<td>$113,810.00</td>
</tr>
<tr>
<td>#7</td>
<td>Flooring and Ceramic Tile</td>
<td>Jim's Floor Covering, Fort Dodge</td>
<td>$31,100.00</td>
</tr>
<tr>
<td>#8</td>
<td>Painting and Finishing</td>
<td>Van Pelt Painting, Van Meter</td>
<td>$17,933.00</td>
</tr>
<tr>
<td>#9</td>
<td>Mechanical Construction</td>
<td>Lint Mechanical Co., Grimes</td>
<td>$183,000.00</td>
</tr>
<tr>
<td>#10</td>
<td>Electrical Construction</td>
<td>DeVries Electric, Inc., Pella</td>
<td>$71,661.00</td>
</tr>
</tbody>
</table>

This project involves construction of a two-floor addition in the courtyard over the west dining room of the Friley Residence Hall. The nine contract awards listed above, in combination with the contract awarded in June,
comprise the ten bid packages for the project. The university also submitted an amended project budget reflecting the contracts awarded.

Utilities--Central Chiller Plant Addition--Chiller Installation
Award to: Foley Company, Kansas City, Missouri $823,900.00

Bids were first taken on this project on May 1, 1984. At that time two bids were received, but both exceeded the estimated construction cost. The board rejected those bids, and the university and the consultant redesigned the project to bring it in line with available funds. It was anticipated that savings from the cooling tower replacement project could be used to meet anticipated additional expenditures of $300,000. A revised project budget to accomplish this was included in the register.

The board was requested to approve an additional revised project budget for Utilities--Cooling Tower Replacement. The source of funds is 70th G.A. Academic Revenue Bonds, and the total budget reflects the anticipated savings of $300,000 which would be used for the Central Chiller Plant Addition and Chiller Installation projects (above).

The university reported five contract change orders which range in price from a minus $1,125 to a plus $12,367. The change orders did not cause any of the project budgets to be exceeded and were considered routine.

The board was requested to receive the following completed construction projects: Hub Renovation; Carver Hall--Third Floor--Office Remodeling; Friley Hall--Chilled Water Extension--Entrance and Partial Building Piping; Beyer Hall--Recquetball and Squash Courts Repair; and Roof Repacements--1983--Knapp-Storms Commons. Inspection on each project found that the work was complete and in compliance with the plans and specifications.

The board was requested to approve the following new projects:

Beardshear Plaza
Source of Funds: Achievement Foundation $50,000.00

This project involves the construction of a plaza west of Beardshear Hall, south of the Parks Library. The Classes of 1977 and 1981 are providing funds for this project. The project was designed by the University Architect's Office and Physical Plant Engineering Services. Construction is intended to be completed by Physical Plant forces.

Botany Greenhouses--Evaporative Cooler Replacement
Source of Funds: Building Repairs $48,000.00

The Board Office reported that the present coolers have reached the end of their useful life. Engineering services will be furnished by Physical Plant, and construction will be carried out by a combination of plant forces and contract labor.

Beardshear Hall--Remodel for Accounting
Source of Funds: Income from Treasurer's Temporary Investments $48,000.00

67
This project involves remodeling approximately 1,900 square feet in Beardshear Hall to consolidate the accounting staff. Design services will be furnished by Physical Plant, and construction will be carried out by a combination of plant forces and contract labor.

**Beyer Hall--Remodel for Women's Program**  
**Source of Funds:** Building Repairs $55,000.00

Design services will be furnished by Physical Plant with construction carried out by a combination of plant forces and contract labor.

**LeBaron Hall--Remodel for Family Environment**  
**Source of Funds:** Income from Treasurer's Temporary Investment $38,000.00

The Board Office noted that this work will be integrated into the future remodeling anticipated for the College of Home Economics. Design services will be furnished by Physical Plant. Construction will be carried out by a combination of plant forces and contract labor.

**Laboratory of Mechanics--General Remodeling**  
**Source of Funds:** Income from Treasurer's Temporary Investment $950,000.00

This project will involve remodeling approximately 12,000 square feet and updating the Mechanics Building and its system to meet all building and fire safety codes and handicapped accessibility requirements. This building was originally constructed in 1882 and is structurally sound. It has historic and architectural merit. The remodeling is in order and may be financed by mechanisms which make use of historic preservation tax preferences. The Board Office said these financing alternatives should be explored thoroughly. It recommended approval of the project concept and permission to negotiate with an architect. However, the source of funds and the scope of the project should await consideration until the preliminary planning is completed.

The board was requested to take action on the following consultant contracts:

**Residence Halls--Fire Safety Improvements**

The university requested approval of additional services to be performed by Brooks Borg and Skiles, Architects/Engineers, to provide design services for fire safety improvements on three additional residence halls. The original agreement approved by the board in May 1983 involved fire safety improvement design services to 16 residence halls. Compensation shall be computed at a standard hourly rate with a maximum additional fee of $15,000, bringing the total compensation payable to $53,000.

**College of Home Economics--Planning**

In June, the university requested authorization from the board to negotiate an agreement with Brooks Borg and Skiles, Architects/Engineers, for design services on this project. Negotiations had been completed, and compensation shall not exceed $121,000. The Board Office said the fee appears reasonable. Source of funds is 70th G.A. Capital Appropriations, of which $125,000 is available. The funds recently appropriated are adequate to carry
the project design through the schematic planning stage only. The university will negotiate an agreement for design development, construction documents, bidding, and construction supervision at a later date.

College of Education Building—Phase II (Old Veterinary Clinic Conversion)
This project provides for the renovation of the Old Vet Clinic into office and laboratory space for the College of Education. Planning funds were initially provided for this project in 1983-84, but were relinquished due to reversions of the appropriated funds. The 1984 General Assembly restored these funds. The university requested approval of an agreement with Frevert-Ramsey-Kobes, Architects/Engineers, Inc., for preliminary planning on this project. Total compensation for this phase of planning shall not exceed $74,000. Source of funds is the 70th G.A. Capital Appropriations, of which $75,000 is available.

Agronomy Addition
The university requested ratification of an increase in compensation to Bussard/Dikis Associates to provide additional architectural services on this project. Additional compensation shall not exceed $4,180, bringing the architect's total compensation to a maximum of $1,553,180. The project budget total remained unchanged, and the source of funds is 70th G.A. Academic Revenue Bonds.

Elwood Drive Extension—Sixth Street Relocation
The university requested approval of an increase in compensation to Wallace, Holland, Kastler, Schmitz and Company to provide additional engineering services on this project. The services involve additional on-site engineering and inspection as the result of project delays due to rainy weather and default of a grading and drainage contractor. An increase of $34,700 was recommended, bringing the total compensation for construction phase services to $185,200. Source of funds for the increase is the State Parks and Institutional Roads Fund.

MOTION: Dr. Harris moved that the board approve the Register of Capital Improvement Business Transactions for June 22 through July 12, 1984; ratify award of construction contracts made by the executive secretary; approve the revised and amended project budgets; accept the completed construction projects; approve the new projects; ratify and approve the consultant contracts; and authorize the executive secretary to sign all necessary papers. Mr. Duchen seconded the motion and it passed unanimously.

President Brownlee then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to Iowa State University. There were none.
UNIVERSITY OF NORTHERN IOWA.

The following business pertaining to the University of Northern Iowa was transacted on Thursday, July 12, 1984.

FINAL BUDGET FOR 1984-85. It was recommended that the board approve the final operating budgets for 1984-85 as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General University</td>
<td>$51,237,000</td>
</tr>
<tr>
<td>University Residence System</td>
<td>9,740,000</td>
</tr>
</tbody>
</table>

The Board Office reported that the total amount of the University of Northern Iowa final operating budget of $51,237,000 was unchanged from the preliminary budget approved by the board in May 1984, although changes were proposed within Salary and Supplies and Services categories.

Resources anticipated for 1984-85 include a total of $39.4 million in state appropriations (76.8 percent), $11.3 million in student fees (22.1 percent), and $570,000 in other income (1.1 percent).

The projected student fee income of $11.3 million is an increase of 9.1 percent over the revised estimate for 1983-84. This increase is entirely due to tuition increases, since a small decline in enrollments was projected.

The Board Office noted that at the time of approval of the preliminary budget, the University of Northern Iowa was asked to reexamine its estimate of interest income from Treasurer's Temporary Investments. The university indicated that it had not made an adjustment, although if interest rates on investments continue to increase and additional temporary funds are available for investment purposes, the 1984-85 income from Treasurer's Temporary Investments may exceed the amount currently budgeted.

The university's final operating budget summary reported changes from the approved preliminary budget. These changes include a reduction of $83,104 in Supplies and Services and a corresponding increase in salaries.

Increases in salaries and fringe benefits account for nearly all of the increases in the 1984-85 final operating budget over the revised 1983-84 budget. The university had previously reported that for persons within the faculty bargaining unit, the 1983-85 Master Agreement provides for mandatory across-the-board and incremental increase of 3.75 percent and $280, respectively, and allows funds for individual salary adjustments averaging $509 per returning full-time faculty member. The university further reported in June that Vitality and Quality Funds will be used to provide each full-
time member of the faculty unit with a 1.13 percent across-the-board increase and a $96 incremental increase. The estimated cost of these adjustments is $320,000. The remaining $164,000 in the university's Vitality Fund will be distributed on a merit basis.

Faculty and institutional officials' salaries were reduced by $519,644 from the approved preliminary budget in order to correct for an earlier error in calculations of fringe benefit costs.

A Board Office analysis of a sampling of faculty salaries indicated that the final budget agrees with established salary policies and with the university estimates.

Professional and Scientific and General Service staff salary budgets were increased to provide for full university contributions to fringe benefits and chargeback account adjustments.

In accordance with the executive secretary's request, the University of Northern Iowa provided a listing of significant changes in permanent and temporary positions. As reported previously, the emphasis in adding positions has been placed on high demand areas including business and computer science. Six faculty and 10 graduate assistant positions were added. Positions deleted are largely in non-instructional areas and include reductions of a total of 16.8 FTE positions in administrative and physical plant staff. Temporary positions providing a total of 1.9 FTE were added in academic areas with enrollment pressures.

Residence System Budget. The university proposed a 1984-85 Residence System budget of $9,740,000. This is a 1.6 percent increase over the revised 1983-84 budget and is consistent with the preliminary budget estimate accepted by the board in March 1984. As noted in March, there are some concerns about the minimal cost increases projected for 1984-85. The Board Office said both income and expenditures should be monitored closely. An updated report on the Residence System budget is to be provided to the board in December 1984.

Restricted Funds. The university estimated budgets for restricted funds of approximately $12,000,888, just slightly above the $11,978,000 budgeted in 1983-84. The university noted that the amount of restricted funding will change during the year, as federal grants are added and completed.

In summary, the Board Office reported that the university's total operating budget for 1984-85 is unchanged from the preliminary operating budget approved by the Board of Regents in May 1984. Adjustments have been made in the Salaries and Supplies and Services categories. The proposed final operating budget emphasizes salary increases with decreases or minimal increases in other categories. Approval of the final budget was recommended. Approval of the Residence System budget was also recommended with the understanding that an updated report on expenditures and income is to be provided to the board in December 1984.
MOTION: Mrs. Anderson moved that the board approve the final operating budgets for 1984-85 for the University of Northern Iowa as follows: General University, $51,237,000; and University Residence System, $9,740,000. Mrs. Jorgensen seconded the motion and it passed unanimously.

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

OTHER PERSONNEL TRANSACTIONS. The university requested that the board take action on the following:

Resignation:
E. Clifford Brennen, professor and head of the Department of Social Work, effective July 31, 1984.

Appointment:

MOTION: Mr. McDonald moved that the board accept the resignation of Dr. Brennen and approve the appointment of Mr. Noack. Mrs. Anderson seconded the motion and it passed unanimously.

PROFESSIONAL AND SCIENTIFIC CLASSIFICATION SYSTEM CHANGES. It was recommended that the board approve the following additions, reclassifications, and change in title, effective July 1, 1984:

1) Creation of New Classifications

Pay Grade I - $13,430 - $19,561
Yearbook Coordinator

Pay Grade III - $17,670 - $26,319
Learning Disabilities Specialist
Counseling Coordinator - Special Services Project

Pay Grade IV - $20,526 - $30,980
P&S Classification and Employment Manager
Operations and Training Coordinator
Head Women's Basketball Coach
Head Track-Field and Cross Country Coach
Pay Grade V - $24,021 - $36,773

Asst. Director, Academic Computing Services
Head Wrestling Coach
Employment Coordinator
Special Services Project Director

2) Position Reclassifications

Pay Grade I ($13,430 - $19,561) to Pay Grade II ($15,379 - $22,549)

Admissions/Financial Aids Representative
Advisor - Academic Advising Services
Assistant to Coordinator Day Care Center
Assistant Intramural Sports Director

Pay Grade II ($15,379 - $22,549) to Pay Grade III ($17,690 - $26,319)

Ticket Manager
Nurse - Student Health Center
Programmer Analyst - Academic Computing Center
Senior Producer/Announcer - Broadcasting
Senior Producer - Broadcasting
Administrative Assistant - School of Music
Coordinator Curriculum Laboratory (formerly Materials Coordinator - Curriculum Laboratory)
Health Aide Coordinator

Pay Grade III ($17,690 - $26,319) to Pay Grade IV ($20,526 - $30,980)

Facilities Automation System Manager
Assistant Director Residence - Facilities
Head Athletic Trainer
Assistant to Graduate Dean/Student Services (formerly Coordinator Graduate EOP Program and Assistant to Graduate Dean)
Assistant to Graduate Dean/Faculty and Grant Services

Pay Grade IV ($20,526 - $30,980) to Pay Grade V ($24,021 - $36,773)

Assistant Athletic Director - Facilities
Publications Administrator
Assistant Director Alumni Development
Counselor/Peer Advising Program Coordinator
Counselor/Coordinator Continuing Education Program

Pay Grade V ($24,021 - $36,773) to Pay Grade VI ($28,349 - $44,012)

Controller
Head Basketball Coach

Pay Grade VI ($28,349 - $44,012) to Pay Grade V ($24,021 - $36,773)

Student Research Coordinator
Associate Director Residence - Dining
3) Change in Title but not Pay Grade

Health Services Nurse-Supervisor to Charge Nurse (Pay Grade IV ($20,526 - $30,980))

The Board Office explained that the university has been working for nearly two years on an internal study of its professional/scientific classification system. The Board Office reviewed the explanations for the 38 changes recommended and found them acceptable.

The Board Office noted that the number of coaching and athletic-related changes included reflect a realignment of responsibilities between the School of Health, Physical Education and Recreation and the intercollegiate athletic program which has been finalized since the hiring of a new Athletic Director for the university.

The assignment of the new classes to pay grades and the change in pay grade assignment for the existing classes result from each of the positions being point-counted through the institution's system which was developed initially for the university by the Booz, Allen & Hamilton consulting firm and approved by the board in 1976.

The institution indicated that salary funds are available for each of the changes. Complete classification descriptions are on file in the Board Office.

MOTION: Mr. Van Gilst moved that the board approve the additions, reclassifications, and change in title for the University of Northern Iowa's Professional and Scientific Classification system as listed above. Mrs. Anderson seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final register for June 12 through June 23, 1984, had been received, was in order, and was recommended for approval.

The university reported one contract change order in the amount of $2,780 for the Communication Arts Center--Final Phase--Electrical Construction. The project is still within its budget.

The university submitted final reports on two projects: Steam Line Repairs--1983 and Regents Complex--Steam Line Replacement--Phase II and III. Both were in order and were recommended for approval.

The board was requested to approve the following new project:

30th and 31st Streets--Lighting Improvements
Source of Funds: State Park and Institutional Road Funds $29,000.00
This project will install new street lights owned by the university and with power supplied by the university. The project will be designed by a consultant, inspected in-house, and constructed through the competitive purchase order process.

The board was requested to approve a design agreement on this project between the Iowa Department of Transportation and the Iowa State Board of Regents. This agreement will allow the board, through the university, to employ a consultant to design the lighting project as well as authorize the institution to provide construction inspection.

The university also requested approval of its selection of Gilmore and Doyle, Ltd., Waterloo, to provide professional engineering services on this project. This contract provides for the design and construction management of the project. Total compensation shall not exceed $2,100.

Funds for the cost of design, construction, and construction management are available from the university's allocation of the State Parks and Institutional Roads Fund.

The board was requested to approve the following agreement:

**Illinois Street--Resurface**
(Design Agreement between the Iowa Department of Transportation and the State Board of Regents)

In March 1984, the board approved an agreement with IDOT for the design, construction management, and construction of this project. This portion of Illinois Street was removed from the institutional roads system and incorporated into the parking lot. IDOT agreed to reimburse the university for the design time spent on the project until it was cancelled last month. The reimbursement will be less than $1,000 from the Board of Regents' share of the 1984 State Parks and Institutional Roads Fund.

MOTION: Mrs. Anderson moved that the board approve the Register of Capital Improvement Business Transactions for June 12 through June 28, 1984; approve the final reports; approve the new projects; approve the consultant contract; approve the agreements with IDOT; and authorize the executive secretary to sign all necessary papers. Mrs. Murphy seconded the motion and it passed unanimously.

President Brownlee then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the University of Northern Iowa. There were none.
The following business pertaining to the Iowa School for the Deaf was transacted on Thursday, July 12, 1984.

FINAL BUDGET FOR 1984-85. It was recommended:

1. That the Iowa School for the Deaf Final Operating Budget for 1984-85 of $4,929,523 be approved.

2. That the Chapter I Restricted Fund Budget of $151,143 be approved, subject to program approval by the Department of Public Instruction.

The Board Office reported that the proposed final operating budget for FY 1985 for the Iowa School for the Deaf in the amount of $4,929,523 is identical to the preliminary operating budget approved by the board in May.

Sources of income for the school include $4.75 million in state appropriations (96.4 percent), $90,000 in unrestricted federal funds (1.8 percent), $39,000 in sales and services (0.8 percent), and $49,000 in other income (1.0 percent). State appropriations include $271,000 for fuel and purchased electricity and $239,095 in salary adjustment funds.

In addition to the appropriations noted above, the Iowa School for the Deaf receives standing appropriations of $4,000 for clothing and transportation and $5,000 for tuition replacement for the reimbursement of local school districts for children of employees living on the campus.

Institutional income was expected to remain at the same level as in 1983-84.

The proposed final budget for each category of expenditures remained unchanged from the preliminary budget approved by the Board of Regents.

The Iowa School for the Deaf identified significant changes in permanent positions, providing information requested by the executive secretary. The additions will follow recommendations provided by the ombudsman's review and the Governor's budget in terms of program emphasis at the high school level and in parental assistance and training. Unneeded positions in food services, laundry services, and general administration were deleted or reduced in order to achieve appropriate salary savings. The academic support area was increased by the addition of a Parent Educator to provide for parental assistance and training.

As approved with the 1984-85 preliminary budget, the transportation reimbursement rate for parents or guardians of ISD pupils is to be maintained at 17 cents per mile for 1984-85.
Chapter I - Education Consolidation and Improvement Act. Chapter I of the Education Consolidation and Improvement Act (previously Title I, Elementary and Secondary Education Act) provides federal funding to meet the special education needs of handicapped children. Funds are distributed through the Department of Public Instruction. A preliminary Chapter I budget of $151,155 was previously reported to the board. That allocation had now been set at $151,143 on the basis of $595.05 per child and a child count of 254 in October 1983. This allocation is a decrease of $4,597 from the 1983-84 allowance.

The Iowa School for the Deaf indicated that the program to be submitted to the Board Office and the Department of Public Instruction for approval will continue current activities with heavy emphasis placed on the Community Oriented and Skills Training and speech programs.

MOTION: Mr. Van Gilst moved that the board approve (1) the final operating budget for 1984-85 for the Iowa School for the Deaf of $4,929,523 and (2) the Chapter I Restricted Fund Budget of $151,143, subject to program approval by the Department of Public Instruction. Mrs. Jorgensen seconded the motion and it passed unanimously.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of June 1984 were ratified by general consent of the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. There were no transactions for June 1984.

President Brownlee then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the Iowa School for the Deaf. There were none.
IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Thursday, July 12, 1984.

FINAL BUDGET FOR 1984-85. It was recommended:

1. That the Iowa Braille and Sight Saving School final operating budget for 1984-85 be approved at the level of $2,721,347.

2. That the Chapter I restricted fund budget for 1984-85 in the amount of $42,249 be approved subject to program approval by the Department of Public Instruction.

The Board Office reported that the total final operating budget for the Iowa Braille and Sight Saving School in the amount of $2,721,347 is the same as that approved in preliminary form by the board in May. The school indicated that the final budget will support a continuation of existing programs with only minor modifications needed to adjust to student needs. Enrollment was expected to remain at the 1983 level of 66 students.

Anticipated income for 1984-85 includes $2.59 million (95.2 percent) in state appropriations, $35,000 (1.3 percent) in non-restricted federal funds, $84,000 (3.1 percent) in sales and services, and $11,000 (0.4 percent) in other income. An increase of $11,554 in institutional income over 1983-84 results from expected increases in the demand for resource materials provided to visually impaired students in other educational facilities.

State appropriations include $2,272,611 in education appropriations, $162,000 for fuel and purchased electricity, and $156,736 in salary adjustment funds. As noted in the review of the preliminary budgets, there may be significant shortfalls in the fuel and purchased electricity budget category for 1984-85 and supplemental support may be needed. The school also receives a standing appropriation of $2,500 for clothing and transportation.

Although the total final operating budget was unchanged from the approved preliminary budget, it does include recommendations for increases in salary categories and a corresponding decrease of $3,651 in equipment funds.

It was previously reported that salaries for faculty and professional and scientific employees are being increased by an average of 8.2 percent in order to provide salaries more competitive with public schools in the area. Increases in professional and scientific salaries result from salary adjustments and from increased health insurance costs. General service
staff salaries are to increase by 4 percent across the board with additions based on the reestablishment of merit step increments. Increases in general service staff salaries include an increase in clerical positions to meet demands for materials produced by the Instructional Service Center.

As requested by the executive secretary, the school submitted information on significant changes in positions at the institution. A resource teacher position has been eliminated, a liaison teacher position has been changed from half-time to full-time, and a Clerk-Typist III has been added in the academic support area. Additionally, the FTE has been reduced in the dormitory food service and medical service areas as a result of the school's reevaluation of needs during home and school weekends. It was reported that only minor adjustments were being made in temporary positions.

As recommended in the preliminary budget, the current travel reimbursement rate of 17 cents per mile for parents or guardians of students at the special schools is to be maintained for 1984-85.

Chapter I, Education Consolidation and Improvement Act. Funding received under Chapter I (formerly Title I) is provided to assist in meeting the special educational needs of handicapped children and is administered through the Department of Public Instruction. It was previously reported to the board that funding of $42,252 was expected for 1984-85. The actual 1984-85 allocation had now been specified as $42,249, based on $595.05 per child and a child count of 71 in October 1983. The recommended funding level is $1,380 below that for 1983-84.

The Iowa Braille and Sight Saving School had submitted its plan for the use of Chapter I funds to the Department of Public Instruction. As indicated by the school, it was proposed that the funds be used for a liaison teacher, a computer instructor, two recreation aides, curriculum development, a student survey, and parent conferences.

MOTION: Mrs. Jorgensen moved that the board approve (1) the Iowa Braille and Sight Saving School final operating budget for 1984-85 at the level of $2,721,347; and (2) the Chapter I restricted fund budget for 1984-85 in the amount of $42,249 subject to program approval by the Department of Public Instruction. Mr. Duchen seconded the motion and it passed unanimously.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for May 27 to June 23, 1984, were ratified by general consent of the board.

RENEWAL OF PARAPROFESSIONAL INSERVICE PROGRAM. It was recommended that the board approve the request of the Iowa Braille and Sight Saving School
to contract with Kirkwood Community College for Paraprofessional In-Service Education for the period of August 27, 1984, through April 24, 1985.

This agreement would provide basic in-service instruction to the paraprofessional employees who work directly with students. The residential attendant training program includes modules on communications, human needs, medical problems, behavioral patterns, and community resources. There will be a total of 60 hours of instruction. Employees completing the course receive certificates. The total cost is $1,100.

The Board Office noted that this kind of training can be very valuable to the paraprofessional employees who work directly with the handicapped students at the school. A similar contract was approved by the board last year, and the Board Office recommended approval of this contract.

MOTION: Dr. Harris moved that the board approve the request of Iowa Braille and Sight Saving School to contract with Kirkwood Community College for Paraprofessional In-Service Education for the period August 27, 1984, through April 24, 1985. Mr. Van Gilst seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final register for July 1984 had been received, was in order, and was recommended for approval.

The register contained a single item, a contract change order on the Eaves Repair Project--Phase I. This project involves the repair and painting of eaves and other exposed surfaces on the Old Main Building and Hospital Building. In May, a construction contract for the painting work was awarded to Dvorak Painting & Decorating, Waterloo. The amount of the change order is $712.91 and the new net amount of the contract is $33,669.91. The revised contract amount is within the project budget and does not require any additional funds.

MOTION: Mr. McDonald moved that the board approve the Register of Capital Improvement Business Transactions for July 1984; ratify the contract change order; and authorize the executive secretary to sign all necessary papers. Mrs. Murphy seconded the motion and it passed unanimously.

RENEWAL OF AGREEMENT FOR PHYSICAL AND OCCUPATIONAL THERAPY. It was recommended that the board approve the agreement with Saint Francis Hospital, Waterloo, Iowa, for the Hospital to provide physical therapy and occupational therapy for selected students at IBSSS.

The Board Office said the school began utilizing the therapists of Saint Francis Hospital, Waterloo, in 1981 under a contracted services agreement
approved by the board. The recommended action will continue all terms and conditions of the current agreement, including cost, for another year.

IBSSS reported that it has been very pleased with the services provided by Saint Francis Hospital and that those services contribute significantly toward the school's compliance with federal and state statutory and regulatory requirements. Because the school was satisfied with the service and had funds available for the service, the Board Office recommended approval.

MOTION: Dr. Harris moved that the board approve the agreement with Saint Francis Hospital, Waterloo, Iowa, for the Hospital to provide physical therapy and occupational therapy for selected students at IBSSS at a cost of $20 per hour per therapist, as needed, for a period of one year, beginning July 1, 1984, at a total cost of approximately $8,000. Mrs. Jorgensen seconded the motion and it passed unanimously.

LEASES OF PROPERTY. It was recommended that the board approve the facilities use agreements for the benefit of IBSSS with tenants, as follows:

a. Kirkwood Community College for the use of approximately 1,280 square feet of space on the first floor of the Old Hospital Building for the period September 1, 1984, to and including August 31, 1985, for a fee of $2,426.64 annually. The area will be used primarily for office and classroom space for the academic and pre-career instruction of youth and adults who have not completed high school. This use is identical to that for 1983-84. The fee of $202.22 per month represents no increase over the 1983-84 fee.

b. Happy Time Child Development Center for the use of approximately 2,604 square feet of space in the IBSSS Cottage for the period from August 15, 1984, to and including June 15, 1985, for a fee of $2,562.36, annually, plus meals. The Center will have the use of the major portion of the east and center sections, first floor, of the Cottage. The kitchen may be used for minimal food preparation but not meal preparation. Meals will be provided by IBSSS for both children and adults at the Center at a cost of $1.50 each on days both the Center and IBSSS are in operation. The meal charge is 50 percent higher than in 1983-84. The fee of $2,562.36 for the use of the facility will be paid in four installments. With each installment an additional payment shall be made for meals served to that date. The fee represents an increase of 10 percent over the 1983-84 fee.

c. Benton County Extension Office, Iowa State University Cooperative Extension Service, for the use of approximately 1,706 square feet of
space on the ground floor, east wing, of Palmer Hall, plus one restroom, for the period September 1, 1984, to and including August 31, 1985, for a fee of $3,838.50 annually.

The Extension Office will use the space for offices and meeting rooms from 8:00 a.m. to 5:00 p.m., Monday through Friday, 12 months per year. The fee of $319.88 per month is calculated on the basis of $2.25 per square foot per year and represents an increase of approximately 1.8 percent over the 1983-84 fee. The liability insurance carried by Iowa State University Extension Service for all of its extension office was determined to be adequate to protect the liability interests of IBSSS, its employees, and the board.

The Board Office commented that each of the agreements represents a renewal of an arrangement between the specific user and the board for the benefit of IBSSS. In each case the use of the space/facility will not interfere with the school's regular programs, and the space to be used would otherwise be vacant. Each of the agreements requires the tenant to provide liability insurance for the protection of the board and its employees. The board previously has encouraged the special schools to make the vacant space on their campuses available to organizations serving the community at a rental fee calculated to cover the cost of utilities and custodial services.

MOTION: Mrs. Murphy moved that the board approve the facilities use agreements for the benefit of IBSSS with tenants, as follows: (a) Kirkwood Community College for the use of approximately 1,280 square feet of space on the first floor of the Old Hospital Building for the period September 1, 1984, to and including August 31, 1985, for a fee of $2,426.64, annually; and (b) Happy Time Child Development Center for the use of approximately 2,604 square feet of space in the IBSSS cottage for the period from August 15, 1984, to and including June 15, 1985, for a fee of $2,562.36 annually, plus meals; and (c) Benton County Extension Office, Iowa State University Cooperative Extension Service, for the use of approximately 1,706 square feet of space on the ground floor, east wing, of Palmer Hall, plus one restroom, for the period September 1, 1984, to and including August 31, 1985, for a fee of $3,838.50, annually.

Mrs. Anderson seconded the motion and upon the roll being called, the following voted:

AYE: Anderson, Duchen, Harris, Jorgensen, McDonald, Murphy, Van Gilst, Brownlee

NAY: None

ABSENT: Neu

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

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 2:53 p.m. on Thursday, July 12, 1984.

[Signature]

R. Wayne Richey
Executive Secretary