The State Board of Regents met at the Lakeside Laboratory, Milford, Iowa, on Wednesday and Thursday, June 9-10, 1976. Those present were:

Members of State Board of Regents:
- Mrs. Petersen, President
- Mr. Bailey
- Mr. Baldridge
- Mr. Barber
- Mr. Brownlee
- Mrs. Collison
- Mr. Shaw
- Mr. Slife
- Mr. Zumbach

Office of State Board of Regents:
- Executive Secretary Richey
- Mr. McMurray
- Mrs. Mininger
- Mr. Volm
- Pauline K. Van Ryswyk, Secretary

State University of Iowa:
- President Boyd
- Vice President Brodbeck
- Vice President Jolliffe
- Assistant Vice President Small
- Assistant Dean Jennings
- Director Hawkins
- Director Tobin

Iowa State University:
- President Parks
- Vice President Christensen
- Vice President Hamilton
- Vice President Moore
- Assistant Vice President Madden

University of Northern Iowa:
- President Kamerick
- Provost Martin
- Vice President Stansbury
- Assistant to Vice President Walton
- Director Kelly
- Dean Travis

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

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

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GENERAL

The following business pertaining to general or miscellaneous items was transacted on Wednesday, June 9, 1976.

WELCOME TO LAKESIDE LABORATORY. President Petersen welcomed board members and institutional executives to the Iowa Lakeside Laboratory. She reported that the Lakeside Laboratory is a cooperative effort of the State University of Iowa, Iowa State University, and the University of Northern Iowa.

Appreciation was expressed to the State University of Iowa and Mr. and Mrs. Robert Benson who did a great deal to prepare for the board meeting. President Petersen reported that at noon a tour of the facilities would be given the board by Director Richard V. Bovbjerg.

ANNUAL APPROVAL OF THE AREA SCHOOLS AND STATE APPROPRIATIONS FOR 1975-76. The board was requested to grant continued approval of the area schools for state aid purposes.

The Board Office reported that the Committee on Educational Relations of the State Board of Regents met jointly with representatives of the Department of Public Instruction and reviewed the annual progress reports prepared by 12 of the area schools and the more detailed self study prepared by the other three. The committee also reviewed the 12 annual visitation reports and the three team evaluation reports all of which had been received earlier. In every case, the recommendations of the annual visitors and of the team evaluation reports were to continue approval of the area schools and in every case these recommendations were approved by the joint group.

MOTION: Mr. Baldridge moved the board grant continued approval of the area schools. Mr. Barber seconded the motion.

Regent Collison said she feels that the cooperation and articulation between the Regents and the area community colleges is not as visible as it should be. She recommended some recognition of that be made in addition to the report which comes in on a yearly basis.

Regent Bailey asked how often evaluation visitations occur. Mr. Richey responded they occur every six years on a routine basis. If, however, there are problems in a school, a visitation may have to be scheduled more frequently.

VOTE ON MOTION: The motion passed unanimously.

MEETING OF THE IOWA COORDINATING COUNCIL FOR POST HIGH SCHOOL EDUCATION. The board was presented a report on the highlights of the Iowa Coordinating Council for Post High School Education's meeting in June. The meeting was divided into two parts. The first part was a regular meeting of the council and the second part was a joint meeting with the Higher Education Facilities Commission which dealt with the recently completed continuing education study that the Higher Education Facilities Commission had undertaken.
A brief listing of the highlights of these meetings plus a related portion of the Higher Education Facilities Commission meeting was presented. Regent Zumbach and Regent Barber attended the council meeting while Regents Baldrige, Bailey, and Collison joined them for the joint presentation. President Willard L. Boyd was elected as president of the council for the coming year.

Regent Zumbach clarified a statement made in the Board Office's memorandum by saying that after the council received a brief oral report from the committee appointed last month to study the need for an upper-division college in Iowa, the council agreed to form two task forces: one to work on the immediate needs for upper division work in the Council Bluffs area and a second to review all continuing education programs in the state.

Regent Bailey stated that the Higher Education Facilities Commission met on June 3 for the first time with members of its advisory committee on the continuing education study. The study pointed out:

1. Non-traditional educational opportunities have grown rapidly in recent years and are reasonably strong for the state as a whole though almost exclusively available through public community colleges.

2. There is considerable unevenness across the state, however, in the availability of opportunities.

3. Relatively few program opportunities exist outside the principal campuses and their branches which may suggest that further opportunities may be made available through industry, business agencies and other institutions such as libraries.

4. Institutions have made commendable efforts to accommodate their programs to the non-traditional student through flexible curricular structure, admission practices, time of instruction, etc.

5. The mode of instruction is still very traditional, however, and may be an area to be explored.

The recommendations of the project study team are as follows:

1. All postsecondary institutions, agencies and organizations should develop active planning and devise appropriate policies to confront the challenge of life-long learning for all Iowans.

2. Institutions and agencies, either singularly or in consort should make equality of opportunity a reality for Iowa residents.

3. New programs designed to meet specific identified learning needs of non-traditional learners should be developed by the most appropriate educational institutions and systems in cooperation with other systems and institutions.

   a. The Iowa Commonwealth College proposal in its present form should not be further considered for implementation.
4. All Iowa residents should have the full range of adult supporting services conveniently available, including a source(s) of financial aid such that reentry into appropriate postsecondary education is facilitated.

5. Meeting the educational needs of the non-traditional learner should be a cooperative effort by all relevant institutions and organizations coordinated statewide.

6. Steps should be taken to expand the collection of data in Iowa relevant to effective planning for life-long learning.

Regent Bailey requested input on guidelines as to what type of individual should be sought as an adjunct in connection with this advisory committee. Regent Bailey said he interpreted what was intended by action at that meeting to include someone to do the mechanics of the work, the secretarial work, etc. He said, however, that he has reason to believe that other persons have something else in mind; namely, someone who might have considerable experience in the area of continuing education and/or who is desirous of acquiring such experience. Regent Bailey welcomed guidance from board members and institutional executives on this matter. Now that the study has been completed, he felt the next step was for the advisory committee to develop a means by which the study could be implemented. He said he feels this is the committee's responsibility and should not be done by outside consultants. President Boyd then offered the services of the Coordinating Council for this implementation. Mr. Richey agreed that the Coordinating Council was the appropriate entity for this job. He recommended the Higher Education Facilities Commission contract with the Coordinating Council to carry out this task.

Regent Bailey asked President Boyd if he was suggesting that the Coordinating Council be substituted for the advisory committee. President Boyd responded negatively and said he was suggesting its usage in view of the fact that the council has already agreed to form the two task forces which were described earlier.

Mr. Richey said he felt the discussion was referring to the basic function of the Higher Education Facilities Commission and the Iowa Coordinating Council for Post High School Education. He reminded members of the board that the Higher Education Facilities Commission originally was established to allocate capital monies provided by the federal government to all the institutions in the state. The Governor designated the Higher Education Facilities Commission to be the "1202 Commission" for the state merely in the capacity of receiver of any federal funds available for planning projects. He said the designation as a "1202 Commission" apparently was not intended to make the Higher Education Facilities Commission into a planning agency in itself, one which would carry out planning functions. The Coordinating Council has contracted with the Higher Education Facilities Commission in the past on some projects and Mr. Richey felt that this entire project regarding implementation of the continuing education study would best rest with the Coordinating Council for Post High School Education. President Boyd stressed that the continuing education program can not be properly implemented without the assistance of all the institutions. Regent Bailey concurred.
President Petersen commented she felt the consensus of the board, through extended discussion on the subject, was that the Iowa Coordinating Council for Post High School Education should carry out the implementation of the continuing education study.

HIGHER EDUCATION FACILITIES COMMISSION MEETING. Regent Bailey reported that items on the agenda included a report on legislative action, a report on optometry education, business school eligibility for Iowa Tuition Grant Programs for 1976-77. He noted these items were in addition to the discussion on continuing education.

Regent Bailey discussed the optometry legislation and said that presumably it will be activated for this year because there are schools which are interested and do not have their quotas filled for the coming school year. This legislation appropriates $30,000 to the Higher Education Facilities Commission for 1976-77 with which the Higher Education Facilities Commission is to contract with accredited schools of optometry in other states for not less than ten Iowa residents to attend said schools. The maximum amount to be expended upon behalf of any one person is not to exceed $3,000.

Regent Bailey commented regarding the Tuition Grant Program. He said he feels that when the statute was originally passed only four-year institutions were being considered for such grants. He said that what's developed as far as the legislature is concerned is that there was an amendment or a bill filed that would have removed the "three letter" rule which necessitates three letters from institutions saying they will accept credit from other schools. He stated, however, that final legislative action did not remove the "three letter" rule. He said that the "public schools" are now included. He gave the American Institute of Business as an example of a public school.

The Vocational-Technical Tuition Grant Programs for 1976-77 were discussed. Regent Bailey noted that the executive director of the Higher Education Facilities Commission, Mrs. Willis Wolfs, is pushing for increasing the statutory limit of $400 which would then eliminate many students from the program. Regent Bailey said he prefers to help as many students as possible with somewhat fewer dollars being granted per student.

REPORT ON TENURE AT REGENT UNIVERSITIES. The board was presented with a statistical summary of tenure at each of the Regent universities. The data provided the board with information and insight into certain aspects of faculty staffing patterns at the universities. It was noted that the statistical data alone present only a partial picture of faculty staffing patterns and does not take into account such important elements as faculty quality, faculty development programs, and institutional idiosyncrasies which have contributed to the particular statistics. Nevertheless, the Board Office reported these figures provide valuable information upon which future faculty staffing decisions can be at least partially based.
President Petersen commented that the individual institutional tenure reports were contained in the respective institutional portions of the docket.

The Board Office reported that from the data provided it can be determined that the University of Iowa has 64% of its faculty with tenure, the University of Northern Iowa has 65% tenured, and Iowa State University has 67% tenured. These figures correspond rather closely with national trends. As reported earlier in this report, the Board Office emphasized that one needs to take several factors into account when analyzing those figures. Examples given were the age of the faculty, the turnover rate, efforts at faculty development, the possibilities of early retirement plans, the quality of the faculty, and efforts by the universities to fill what vacancies do occur with part time or adjunct faculty.

The Board Office expressed concern about the tendency within some departments to grant tenure even though the particular departments already have an extremely high percentage of their faculty with tenure.

It was reported by the Board Office that all three institutions are expending a great deal of effort in the establishment and implementation of meaningful faculty development programs, programs which will increase the limited flexibility which currently exists. While tenure quotas are both controversial and demoralizing, it may be rather difficult to justify a decision to raise the level of tenure in a particular department from 76% to 94% by the awarding of tenure to six probationary faculty members during a one-year period.

The board noted that all three institutions males constitute a significantly larger percent of those holding tenure than they do of the total work force. In addition, there is a dramatic difference between the percent of male faculty with tenure versus the percent of female faculty holding tenure. The universities are actively working to bring these figures into better balance. There are a number of female faculty who have only recently been hired, and therefore they have yet to complete their probationary period and become eligible for tenure.

Vice President Christensen commended the Board Office on the fine summary report it presented the board relating to tenure at the three universities.

Vice President Christensen reported that if Iowa State University counted, as it did last year, the visiting faculty, etc., its tenured percentage would be close to 61% rather than 67%. If teaching assistants were to be included, the figure would be close to 50%. He said that the three universities "did not compare notes" when it came to compiling the percentages.

Vice President Brodbeck reported that the University of Iowa would also have quite different figures if different factors were considered. She said if the university were to account for all appointments, the university's tenure figure would be 49% rather than 64%. She commented that the 64% includes only those persons in the tenure track. President Petersen stated that Iowa State University and the University of Iowa, then, were calculating the tenured percentages in much the same way.

President Petersen asked Vice President Martin how the University of Northern Iowa calculates its tenure figures. She asked whether visiting professors, for example, are included in that calculation. Vice President Martin said...
the university doesn't count anyone who doesn't have a regular academic rank. The University of Northern Iowa's tenure percentage does not include teaching assistants, visiting professors or temporary appointments.

Regent Barber noted the degree of consistency among the three institutions. He said he felt that the tenure reports should include all faculty persons at each of the institutions and said this should be noted in the report. Vice President Brodbeck said that could easily be obtained for the University of Iowa. Vice President Martin added that the University of Northern Iowa is flexible enough to obtain that information, also.

Regent Bailey noted the high percentage of persons tenured in some of Iowa State University's departments. In response, Vice President Christensen commented that if no one retires for a period of three to four years that can happen. He said in cases such as that the university encourages persons from the outside to teach at the university. President Parks said sometimes the tenure process is unavoidable. He added, however, that the figures do average out in the long run.

Regent Bailey recommended the institutions follow the recommendations for establishing tenure that the Keast Report sets out. President Parks said the three universities have a good record for tenure.

Regent Collison expressed concern about the low number of women who are tenured. She went on to say that quality is what has to be looked at when tenure percentages are reported. She stressed the importance of faculty vitality. President Boyd said he feels very keenly about the need for more women faculty with tenured status. He said the university can handle the problem with women more readily than it can the minority problem because there simply aren't enough minority persons "in the pipeline."

President Kamerick requested members of the board to note the statistics with regard to the employment of women and the tenure of women at the University of Northern Iowa. He said the university's affirmative action person brings in a great number of new female faculty members. He concurred with the other university presidents, however, in respect to the few tenured minority persons.

President Petersen said that in many cases it may not be the general quality of the person that must be looked at for tenure purposes; it may be the particular expertise that person may or may not have. She said she feels the board recognizes some of the real problems involved in tenuring faculty members: historical problems, problems of minorities, problems in regard to equal opportunity, problems in regard to flexibility. She expressed the board's feeling for strong support of the institutions in the selective process in that we are looking for quality to be maintained and upgraded at all times.

President Boyd said one reason for the high tenure percentages is due to the fact that the younger faculty members hired during the rapid enrollment growth of the 1960's are now getting older.
PROFESSIONAL AND SCIENTIFIC CLASSIFICATION AND PAY PLANS. Mr. Francis Bonsignore and Mr. Hal Paransky, consultants, for Booz, Allen & Hamilton were present to answer questions of board members regarding the professional and scientific classification and pay plans for the University of Northern Iowa and Iowa State University.

A. University of Northern Iowa. The university requested the board accept a final report prepared by Booz, Allen and Hamilton, management consultants, identifying findings, conclusions, and recommendations developed as part of the classification-compensation plan study covering professional-scientific positions at the University of Northern Iowa.

The Board Office raised several concerns such as: 1) the effect of the limited survey response; 2) the operational objective of targeting salary levels for second place out of five (or the 75th percentile) which raises the same concerns expressed in regard to this goal in the Iowa State University study. In connection with the Iowa State University objective, Mr. Richey noted that the survey was taken in the fall of 1975, and that because of anticipated increases by employers in the survey, by July 1, 1976, the midpoints of grades proposed for Iowa State University would be more equivalent to the 50th percentile or the mean of the salaries then paid by the organizations surveyed. Mr. Richey said it appears an explanation of this sort is not possible in the University of Northern Iowa's case, because the survey data was increased by 8% to account for possible increases in rates paid by employers in the survey before or on July 1, 1976; and 3) apparent differences between the University of Northern Iowa and Iowa State University recommendations regarding criteria used for including positions in the professional plan--concerning faculty and faculty rank, as well as the interface with the Regents Merit System.

The university reported that the classification-compensation plan presented should permit the university to maintain a competitive position among comparable institutions within the regional employment market as required to attract and retain qualified staff. While the same basic position evaluation instrument and procedure was employed for the placement of positions within salary grades at the University of Northern Iowa as at Iowa State University, grade allocations have with each institution been completed separately solely on the basis of point values established on the basis of salary survey data developed from peer institutions. This procedure has caused positions of comparable title at the University of Northern Iowa and Iowa State University to be generally placed in different salary grades reflecting in part different levels of organizational responsibility and different labor market conditions for peer institutions. The salary schedule proposed for the university was designed to accommodate existing salary practices and at the same time reflect salary conditions existing with peer institutions. Limited salary survey data reported with the study will require development of more extensive salary information with future schedule adjustments. A salary survey of comparable positions existing under the Iowa State Merit Employment System, the State University of Iowa, and Iowa State University, as determined on the basis of available data relating to duties and responsibilities, indicates recommended compensation levels are generally consistent.
In a slide presentation to the board, Mr. Bonsignore reported that the study incorporates all major elements of sound salary administration program including position descriptions, comparative salary survey information, a salary grade structure, a methodology for position classification, and salary administration guidelines. The study consisted of several steps, each involving the counsel and/or direct contribution of key University of Northern Iowa staff.

Mr. Bonsignore said that overall, the university's salary levels for professional and scientific staff are approximately 5.9% below the designated competitive level of second highest among the five universities surveyed. A target of second highest was chosen to enable the university to attract and retain qualified personnel, without being the highest paying institution within its peer group. Since the university's salary levels are approximately 4.3% below the average for peer universities, the goal of being second highest appears reasonable. Mr. Bonsignore added that the majority of surveyed institutions utilize salary grade structures and formal salary increase guidelines to administer salaries of professional and scientific staff.

Fringe and retirement benefits were discussed by Mr. Bonsignore. He said that although the university's insurance coverages are comparable in scope to those of survey participants, the cost of coverage to University of Northern Iowa employees is somewhat higher. The University of Northern Iowa's retirement benefits are among the most generous in its survey group. The university's vacation policies are comparable to those of reference group institutions.

Forty-five individuals are currently below the minimum of their assigned salary grade at the University of Northern Iowa, according to Mr. Bonsignore, while five are above their grade maximum. The greatest concentration of below-grade individuals is found in Grades II, III and IV. The cost to bring all below-grade individuals up to the minimum of their respective salary grades is estimated to be approximately $52,210. Assuming an 8% increase would be received by below-grade individuals in fiscal year 1977, the amount of additional funds required to eliminate all below-grade situations would be reduced to approximately $25,416.

Mr. Bonsignore reported that the classification and salary plan recommended for professional and scientific staff at the university seeks to meet three primary criteria: 1) fulfill the requirement for a formal salary plan and standardized classification structure as required by the Regents; 2) establish the framework, process and salary administration guidelines required for the University of Northern Iowa to maintain its desired competitive position, ensure equitable plan administration, and preserve the plan's ongoing utility; and 3) provide the University of Northern Iowa with a manageable salary program for professional and scientific staff that meets its specific institutional needs, provides flexibility in its administration and offers appropriate controls on salary budgets.

An eight-grade unitary salary grade structure, identical to the one adopted by Iowa State University, was recommended by Mr. Bonsignore. Mr. Bonsignore reported that all professional and scientific positions have been assigned to grades utilizing evaluations of job worth and market data related to the University of Northern Iowa's institutional reference group.
Regent Zumbach asked why a different market survey needed to be used for Iowa State University and the University of Northern Iowa. Mr. Bonsignore responded by saying there are two different peer groups since the University of Northern Iowa has a different mission than Iowa State University.

Mr. Volm commented that a meeting was held with Mr. Bonsignore last evening and at that time Mr. Bonsignore explained the 8% increase in survey data to account for possible increases in rates paid by employers in the survey before or on July 1, 1976.

Regent Bailey asked about the relationship of the proposed salary structure over the structure provided for faculty members of the university. Mr. Bonsignore replied that his firm did not study the prevailing salary levels of the faculty. Regent Bailey said he was concerned about the faculty's psychological attitude toward the recommendation to place professional and scientific employees in a higher salary position in relation to comparable institutions. Vice President Stansbury said that while professional and scientific employees are being proposed to be placed second place among five institutions, the faculty's salary scale is not that far off in what is being recommended for faculty.

Mr. Volm asked Mr. Bonsignore to explain how the firm proposes to have the university second among five institutions, salary-wise. Mr. Bonsignore reported that the same standard was used at the University of Northern Iowa as was used for Iowa State University. He said the firm looked at general labor standard guidelines and looked at Regents' guidelines. Having looked at both of those, there were some discussions which took place and it was realized that there is no hard and fast rule as to where to draw the line for comparability.

Regent Shaw brought up discussion regarding a comment in the proposal presented by the management consultants to the board which stated: "The basic premise of the salary structure is that a fully qualified satisfactory performer should receive compensation at the midpoint of the appropriate salary range, and, over the long term, an outstanding performer should be able to approach the top of the salary grade." He said if administered in that respect, the plan is a merit-type plan. He said he was pleased to see that statement in the report. Mr. Bonsignore recommended that the institutions, on a yearly basis, do an analysis of where its positions are falling within each grade.

Mr. Richey asked what specific positions the consultant firm had problems with at the university. Mr. Bonsignore reported that library associates were excluded from the firm's proposed plan but in consultation with Vice President Stansbury, the institution felt they should be included in the plan. Mr. Richey asked about librarians below the level of director who are not library associates. Mr. Bonsignore said those employees would be categorized as faculty. Vice President Martin reported that the Faculty Senate passed a resolution pertaining to the status of librarians but the faculty has not said they are full fledged members of the faculty with all the insignia. President Petersen recommended the board lay aside the librarian matter since it could be decided at a later date as to whether they should be included in the professional and scientific plan.
Mr. Bailey moved the board accept the final report prepared by Booz, Allen and Hamilton, management consultants, identifying findings, conclusions, and recommendations developed as part of the classification-compensation plan study covering professional-scientific positions at the University of Northern Iowa but explicitly laying aside consideration of the librarians as to whether they are part of the professional and scientific pay plan at this time. The following stipulations and understandings were also moved for approval for the University of Northern Iowa:

1) That the recommended salary ranges and classification of positions be implemented on July 1, 1976, after application of the general five (5) percent adjustment to all positions;
2) That all professional and scientific personnel whose salaries are then below the minima of their assigned pay grades be raised at least to the appropriate minima. That merit increases be granted as recommended in accordance with prior practices and within the limits of funds appropriated by the General Assembly for such, except that employees whose salaries exceed the maxima of their assigned grades will receive no adjustment for merit;
3) That the University of Northern Iowa adopt a policy for future adjustments of the recommended pay grades that would relate the University of Northern Iowa grade midpoints to the average salaries paid by comparable employers for benchmark jobs in the University of Northern Iowa competitive regional market;
4) That the professional and scientific classification and pay plan include all of those positions that require a bachelor's degree or are above the first level of supervision;
5) That the following categories be excluded from the professional and scientific plan: those positions which require faculty rank and the meeting of appropriate faculty standards; those positions which are categorized as institutional officials (the president, vice presidents, deans, major directors, and the secretary and treasurer of the university); and those positions covered under the Regents Merit System;
6) That an internal procedure culminating with consideration by a professional and scientific university-wide review committee be established to review appeals and all changes in the assignments of positions to pay grades. Mrs. Collison seconded the motion.
being proposed for the other two universities. Assistant Vice President Small said that, in her judgment, the University of Iowa is already complying with the six guidelines proposed for approval. Mr. Richey added that it is his understanding that the guidelines, if approved, would be applied to all three universities, having had assurance that they are consistent and would present no problems for any of them. Mr. Richey commented that items no. 1 and 2, however, would not apply to the University of Iowa. Assistant Vice President Small noted that the university's definition of excluded positions is, in principle, the same as for the other two universities. She said she doesn't feel there are any problems but requested time to review this more thoroughly. She said that on item no. 1, if the university had "red-circled employees" it would pay only a 2 1/2% increase rather than a 5% increase but noted that the university currently has no such employees. She said that item no. 2, therefore, would not apply to the university either. Mr. Richey recommended the University of Iowa review the guidelines and to have this matter docketed.

AMENDMENT TO MOTION: Mr. Shaw moved the motion be amended to request a study adding an item no. 7 on a performance appraisal program to come back to the board in December. Mr. Brownlee seconded the motion.

VOTE ON AMENDMENT TO MOTION: The amendment passed unanimously.

VOTE ON MOTION AS AMENDED: The motion passed unanimously.

President Petersen commented that the consultants for the pay plan had to leave and expressed appreciation of the board for the fine reports presented by them.

B. Iowa State University. The board was requested to accept the final report of Booz, Allen and Hamilton on the compensation and classification study for professional and scientific employees of Iowa State University and give Iowa State University approval to adopt the recommended salary ranges and classification of positions with the following stipulations and understandings:

1. That the recommended salary ranges and classification of positions be implemented on July 1, 1976, after application of the general five (5) percent adjustment to all positions.

2. That all professional and scientific personnel whose salaries are then below the minima of their assigned pay grades be raised at least to the appropriate minima. That merit increases be granted as recommended in accordance with prior practices and within the limits of funds appropriated by the General Assembly for such, except that employees whose salaries exceed the maxima of their assigned grades will receive no adjustment for merit.

3. That ISU adopt a policy for future adjustments of the recommended pay grades that would relate ISU grade midpoints to the average salaries paid by comparable employers for benchmark jobs in the ISU competitive regional market.

4. That the professional and scientific classification and pay plan include all of those positions that require a bachelor's degree or are above the first level of supervision.
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5. That the following categories be excluded from the professional and scientific plan: those positions which require faculty rank and the meeting of appropriate faculty standards; those positions which are categorized as institutional officials (the president, vice presidents, deans, major directors, and the secretary and treasurer of the university); and those positions covered under the Regents Merit System.

6. That an internal procedure culminating with consideration by a professional and scientific university-wide review committee be established to review appeals and all changes in the assignments of positions to pay grades.

Mr. Albert Bevolo of the Ames Laboratory raised several points regarding the plan he felt the board should consider. He said he represented 13% of the employees represented in the report and said he felt that in future surveys, university laboratories should be included. Mr. Bevolo said it was not yet clear to him as to whether the board will recommend the salary midpoint be adjusted annually. He said he hoped that would be the case. Mr. Bevolo requested that binding arbitration be discussed. He said that the persons he represents feel that option should be left in.

Mr. Bevolo raised concerns about benchmark positions and how they represent the 1060 staff members at Iowa State University affected by the plan being proposed. He said he doesn't feel the benchmark positions represent those persons very well. He used the chalkboard to show board members the percentages of persons in each pay grade. He commented he would like to see an analysis done using "position" distribution rather than "people" distribution.

Assistant Vice President Madden responded to Mr. Bevolo by saying that when the identification of positions in the survey was done there were no salary ranges. Initially, the university identified about 75 positions at Iowa State University for going out and collecting data. He agreed with Mr. Bevolo's comment that in future surveys a better job should and could be done.

Regent Collison requested that the short ranges in the classification plan be looked into. She made particular comment about items no. 2 and 3 which were recommended for adoption above. Vice President Moore said the university will look into those.

MOTION:
Mrs. Collison moved the board accept the final report of Booz, Allen and Hamilton on the compensation and classification study for professional and scientific employees of Iowa State University and that Iowa State University be granted approval to adopt the recommended salary ranges and classification of positions with the stipulations and understandings outlined in items no. 1-6 above with the inclusion of a no. 7 relating to a performance appraisal program (which will come back to the board in December). Mr. Barber seconded the motion and it passed unanimously.
C. Iowa School for the Deaf, Iowa Braille and Sight Saving School, and Board Office. Several recommendations were presented for approval:

1) That the following pay ranges and assignments of position titles to grades be approved for use at the Iowa School for the Deaf and Iowa Braille and Sight Saving School:

<table>
<thead>
<tr>
<th>Pay Grade</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$8,904</td>
<td>$12,072</td>
</tr>
<tr>
<td>2</td>
<td>9,996</td>
<td>13,548</td>
</tr>
<tr>
<td>3</td>
<td>11,304</td>
<td>15,348</td>
</tr>
<tr>
<td>4</td>
<td>12,504</td>
<td>17,556</td>
</tr>
<tr>
<td>5</td>
<td>13,500</td>
<td>19,080</td>
</tr>
<tr>
<td>6</td>
<td>14,796</td>
<td>20,952</td>
</tr>
<tr>
<td>7</td>
<td>16,296</td>
<td>23,604</td>
</tr>
</tbody>
</table>

Grade 2 ($9,996 - 13,548) - Registered Nurse
Grade 4 (12,504 - 17,556) - Chief Engineer
Food Production Supervisor
Head Nurse
Personnel Director

2) a. That the following pay ranges and grades for the Board Office professional staff be approved:

<table>
<thead>
<tr>
<th>Pay Grade</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$8,918</td>
<td>$12,012</td>
</tr>
<tr>
<td>2</td>
<td>10,218</td>
<td>13,806</td>
</tr>
<tr>
<td>3</td>
<td>12,012</td>
<td>16,796</td>
</tr>
<tr>
<td>4</td>
<td>13,000</td>
<td>18,200</td>
</tr>
<tr>
<td>5</td>
<td>14,300</td>
<td>20,020</td>
</tr>
<tr>
<td>6</td>
<td>16,016</td>
<td>23,010</td>
</tr>
<tr>
<td>7</td>
<td>18,018</td>
<td>27,014</td>
</tr>
<tr>
<td>8</td>
<td>20,020</td>
<td>30,004</td>
</tr>
</tbody>
</table>

b. That the following position titles and pay grade assignments be approved for the Board Office professional staff:

**Grade 8** ($20,020 - $30,004)
- Budget Director
- Director of Facilities and Business Management
- Director of Research and Information
- Merit System Director

**Grade 6** ($16,016 - $23,010)
- Associate Merit System Director
- Budget and Management Analyst

**Grade 5** ($14,300 - $20,020)
- Research and Information Analyst
3) That the board approve granting vacations to the professional and scientific employees of Iowa School for the Deaf, Iowa Braille and Sight Saving School and the Board Office at the rate of one month or twenty-two working days per year.

The Board Office reported that under the authority of Chapter 262 of the Code, the universities have historically given one month of vacation per year to their professional and scientific employees. The proposed vacation schedule for Iowa School for the Deaf, Iowa Braille and Sight Saving School and Board Office employees would reduce the differences in fringe benefits that now exist between what is provided for university professional employees and other professional staff under the jurisdiction of the board. Regent Bailey asked for clarification of the law. Mr. Richey responded that there is a state law that sets out vacation policies but the Board of Regents has had a policy for decades of granting one month's vacation to professional and scientific employees and it had never been questioned.

MOTION: Mr. Baldridge moved the board approve the actions recommended (1, 2a and 2b, and 3) above. Mrs. Collison seconded the motion and it passed unanimously.

REVISION OF REGENTS' MERIT PAY PLAN. The board was requested to approve a pay matrix developed to implement the appropriations bill enacted by the General Assembly for the fiscal year beginning July 1, 1976, and note that under the provisions of that bill employees whose rates of pay are "red-circled" will receive one-half of the mandatory 5% increase.

The Board Office reported that in December of 1975 the board approved for implementation on July 1, 1976, a merit system pay matrix which incorporated a 6% across-the-board adjustment. However, the General Assembly appropriated funds necessary to finance only a mandatory 5% increase. As it did in 1975, the General Assembly again this year dictated that employees whose rates of pay are "red-circled" receive one-half of the general adjustment effective July 1, 1976.

MOTION: Mr. Bailey moved that the board approve a pay matrix developed to implement the appropriations bill enacted by the General Assembly for the fiscal year beginning July 1, 1976, and noted that under the provisions of that bill employees whose rates of pay are "red-circled" will receive one-half of the mandatory 5% increase. Mr. Brownlee seconded the motion and it passed unanimously.
NEW AND REVISED CLASSIFICATIONS AND PAY GRADE ASSIGNMENTS. The board was requested to: 1) approve the following revisions and additions of classifications as a result of redefining the criteria for which specific classes should be assigned to the Regents Merit System:

<table>
<thead>
<tr>
<th>FROM:</th>
<th>TO:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. New Class</td>
<td>Seed Analyst III - p.g. 109 (8,832 - 11,396) Exhibit A</td>
</tr>
<tr>
<td>2. New Class</td>
<td>Food Service Supervisor - p.g. 106 (7,428 - 10,392) Exhibit B</td>
</tr>
<tr>
<td>3. Chief Custodian - p.g. 107 (7,884 - 11,136)</td>
<td>Supervisor - Custodial Services - p.g. 108 (8,256 - 11,676) Exhibit C</td>
</tr>
<tr>
<td>4. Assistant Foreman (Two pay grades above craft supervised)</td>
<td>Supervisor - Plant Services (Three pay grades above craft supervised) Exhibit D</td>
</tr>
</tbody>
</table>

and 2) approve revisions of classifications as a result of the board's direction to review the following:

<table>
<thead>
<tr>
<th>FROM:</th>
<th>TO:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Houseparent I - p.g. 103 (6,096 - 8,436)</td>
<td>No change</td>
</tr>
<tr>
<td>2. Houseparent II - p.g. 104 (6,492 - 9,036)</td>
<td>Houseparent II - p.g. 106 (7,428 - 10,392) Exhibit E</td>
</tr>
<tr>
<td>3. Houseparent III - p.g. 106 (7,428 - 10,392)</td>
<td>Houseparent III - p.g. 108 (8,256 - 11,676) Exhibit F</td>
</tr>
<tr>
<td>4. Central Sterilizing Assistant I - p.g. 103 (6,096 - 8,436)</td>
<td>Central Service Technician I - p.g. 104 (6,492 - 9,036) Exhibit G</td>
</tr>
<tr>
<td>5. Central Sterilizing Assistant II - p.g. 104 (6,492 - 9,036)</td>
<td>Central Service Technician II - p.g. 106 (7,428 - 10,392) Exhibit H</td>
</tr>
<tr>
<td>6. Central Sterilizing Assistant III - p.g. 107 (7,884 - 11,136)</td>
<td>Central Service Technician III - p.g. 109 (8,832 - 12,396) Exhibit I</td>
</tr>
<tr>
<td>7. Trimmer - p.g. 105 (6,960 - 9,696)</td>
<td>Trimmer - p.g. 105 (6,960 - 9,696) Exhibit J</td>
</tr>
</tbody>
</table>

Mr. Volm reported that in 1973 the guideline for classes to be included in the Merit System was that they were nonexempt positions under the Fair Labor Standards Act. In large part this was because the institutional personnel administrators were familiar with those positions as such, and it provided a sound basis for distinction. The director of the Iowa State Merit Employment Department indicated at that time that the nonprofessional first line supervisors would have to be included at some future date. A specific criteria has now been set to use to determine classes that must be brought under the Merit System. The criteria is any class that is nonprofessional first line supervisory, nonprofessional being defined as those classes not requiring a
bachelor's degree or equivalent. Using that criteria there have been some positions that have been formerly under the professional and scientific groups at the various institutions and are now included in existing or revised classes, and some which have or will result in new classifications.

Regent Collison said she was glad to see Houseparent II's and III's being recommended for a higher scale. She said that upgrading could help attract more qualified people to the positions. Mr. Volm noted that the changes under 2) above result from the public hearing on the pay plan.

MOTION: Mr. Baldridge moved the board approve the actions recommended under 1) and 2) above. Mr. Zumbach seconded the motion and it passed unanimously.

APPEALS FOR ARBITRATION OF UNIVERSITY OF IOWA EMPLOYEES -- LYN KANE AND CLAUDE ESCHER. The board was requested to: 1) affirm the decision of the merit director to deny the arbitration requested by Ms. Lyn B. Kane because she did not, as required in the rules, cite at the institutional steps in the grievance process, the rule she alleged was violated and 2) affirm the merit director's finding that Mr. Claude Escher does not have a grievance for arbitration because the remedy he requested has been granted.

MOTION: Mr. Zumbach moved the board affirm the decision of the merit director to deny the arbitration requested by Ms. Kane because she did not, as required in the rules, cite at the institutional steps in the grievance process, the rule she alleged was violated. Mr. Slife seconded the motion.

Assistant Vice President Small noted that Ms. Kane was present for discussion along with her representatives. She said they would be present for any questions directed to them.

Regent Zumbach asked if the board was possibly making the procedure a little too difficult by asking those persons appealing to cite the rule which was violated. He asked if perhaps the management side should be responsible for citing the rule. Mr. Richey said he feels the board must require some specificity in terms of employees involved in the appeal process.

Regent Slife said he didn't want the grievance procedure so technical that employees and employee representatives can't understand it. On the other hand, he said he feels it is very important that all the procedural steps be followed.

Mr. Les Chisholm, Business Manager, AFSCME Local 12, representing Ms. Kane, said he feels that Ms. Kane very carefully explained everything that was going on in memorandums which were circulated (which are on file with the docket material in the Board Office) to the board. He said that when she was asked to cite a specific rule, one escaped her.
Regent Zumbach said he would appreciate it if Mr. Volm would investigate the option of referring the case back to the institution for a rehearing. Mr. Richey said the board, in that case, would have to change its rules first.

VOTE ON MOTION: The motion passed unanimously.

President Petersen then turned the board's discussion to that of Mr. Claude Escher's appeal. Mr. Escher's appeal pertained to the duties he was performing, which he said did not belong to him.

Regent Zumbach said he feels the Regents' rules need clarification. He said they need to detail that the person grieving must handle the grievance himself rather than having another employee handle the proceedings. Mr. Richey said the Board Office will review that but noted that that was not the basis for the Board Office's recommendation for denial.

MOTION: Mr. Bailey moved the board affirm the merit director's finding that Mr. Escher does not have a grievance for arbitration because the remedy he requested has been granted. Mr. Zumbach seconded the motion and it passed unanimously.

Details of both the appeals for arbitration are on file at the Board Office in the docket material.

STATEWIDE COMMUNICATION SYSTEMS. Regent Baldridge requested that Dean Ray of the University of Iowa prepare a report on the possible implications and operations of a tele-communications system similar to that recently reported to the Iowa Coordinating Council for Post High School Education by the Iowa Area School Boards.

The Board Office reported that the Tele-Network System is a conference-call type of system in which two-way voice communication is available to all participants. With this type of system it is even possible to communicate between larger groups of people (25 to 100) with the use of large speakers to be provided at each location. Such a system may be used for administrative conferences, instructional classes, extension groups, or other similar purposes.

The Iowa area schools, through the Iowa Council of Area School Boards, established a tele-network system last fall. It was the understanding of the Board Office that after being in operation only six months, the system is currently used ten hours per week and provides cost savings from reduced travel that covers the cost of the system. Similar systems are operated by the Board of Regents in the states of Kansas and Wisconsin. The system at the area schools was established too late in the 1975-76 year to be adaptable for instructional purposes but Kansas and Wisconsin use the system approximately 95% of the time for instructional programs.

A written report was presented to the board by Dean Robert F. Ray, Division of Continuing Education, University of Iowa, for information purposes. An oral report was also given to answer any questions board members might have.
Dean Ray briefly described the differences between the Indiana system and that developed for the area schools. Iowa elected to create a public television system available to all citizens in their homes. Indiana elected to create IHETS - the television component of which is closed circuit, instructional service to the universities and their branch campuses. One of the chief motivations for IHETS was obviously to provide a vehicle through which educational offerings originating on one campus could be made available on other campuses. Dean Ray emphasized the cost savings from flying from Council Bluffs to Iowa City, for instance, over a tele-network system.

Dean Ray said he did not believe it would be feasible or wise to try to duplicate the IHETS system in Iowa. Insofar as radio is concerned, he said he believes the board is on the right track in the development of a statewide public radio service. Insofar as the SUVON system in IHETS and the Area Schools Tele-network System are concerned, he believes the Regents should make every effort to become part of the Tele-network System. He said the three deans of continuing education and extension subscribe to the recommendation before the board regarding the tele-network.

President Petersen encouraged the possibility of evaluation of the program and finding out a little more about what it will cost the Regents, etc. President Boyd recommended this matter be referred to the Interinstitutional Committee on Educational Coordination for the purpose of getting Regents' strategy on the matter. He suggested it then go to the Coordinating Council for Post High School Education as to how Iowa's system can work with the other systems.

MOTION: Mr. Baldridge moved the board refer this matter to the Committee on Educational Coordination and then to the Coordinating Council for Post High School Education. Mrs. Collison seconded the motion.

Dean Ray said the system can be rented for $30 per hour during the day and $40 per hour in the evening. President Petersen said there were no objections expressed against using the system.

VOTE ON MOTION: The motion passed unanimously.

COMMENDATION. President Petersen reported that a professor from the University of Michigan was present on this campus, who is an observer of such laboratories nationwide. He had made a comment to her that he felt Lakeside Laboratory was the best that he had personal knowledge of and added it was the best run of those he had seen.

EXPRESSION OF APPRECIATION. President Petersen expressed thanks to Dean Robert Ray for his contribution to the development and leadership of the Iowa Educational Broadcasting Network. She said that Dean Ray will be leaving the State Educational Radio and Television Facility Board because of his term's expiration. She said she hoped that the same type of leadership he displayed as chairman will continue in his expanded role in the external degree and teaching-at-a-distance programs.
The Board Office reported that in January of 1973 the graduate program and hospital and health administration of the University of Iowa was visited by a site-review team of the Accrediting Commission on Graduate Education for Hospital Administration. Accreditation was extended for one year with a resurvey to be held early in the academic year 1974-75. In June of 1975 another visiting committee from the Accrediting Commission on Graduate Education for Hospital Administration visited the University of Iowa. In September of 1975 the visiting team recommended discontinuance of accreditation of the Master's program in Hospital and Health Administration at the University of Iowa. The University of Iowa submitted a statement of appeal. A three-member committee of the Accrediting Commission on Graduate Education for Hospital Administration reviewed the appeal of the commission's actions submitted by the university.

The review committee's primary responsibility was to review the findings of the visiting committee and the action taken by the accrediting commission based upon relevant information as it existed at the time of these earlier deliberations. The committee also reviewed additional information submitted by the university in the appeal documentation in order to present to the accrediting commission the most complete and up-to-date information about the present state of the university program.

The Board Office stated that the university has now been informed that the accreditation of the Graduate Program in Hospital and Health Administration will be withdrawn at the end of the 1975-76 fiscal year. This action was taken notwithstanding the extraordinary measures taken to relieve some of the pressures on the graduate program until the new director could be chosen and on the scene. The accrediting commission had been advised that Dr. Samuel Levey had been appointed as professor and director of the program effective July 1, 1977. It was the university's opinion that had it been possible to have the new director on the scene this spring or summer the last appeal from the commission's decision would probably have been sustained.

The university has suspended admissions for the 1976-77 academic year and will not accept any new students thus improving the student-faculty ratio considerably as there will be only ten Master's candidates and five Doctoral candidates on campus this fall. There will be two and one-half full-time equivalent faculty members and the continued participation of faculty members from other departments in the university. This plan was viewed with favor at the time of the university's verbal presentation to the commission on March 18, 1976. Even with these facts before them, however, the commissioners voted to sustain their earlier action.

The board was presented with a set of documentation materials on the recent actions regarding accreditation of this program in the docket material.

Dean Eckstein of the College of Medicine was present for discussion. He commented he felt the Board Office's memorandum to the board covered the accreditation report well.
LEGISLATIVE REPORT -- 1976 SESSION. The board was requested to accept the legislative report. The Board Office reported that the 1976 legislature convened on January 12 and adjourned on Saturday, May 29, 1976. In all, the legislature passed some 33 bills which are at least of passing interest to the Board of Regents or the institutions.

Mr. Richey expressed pleasure over the fine work the three legislative liaisons did for the board this legislative session. Those persons commended were: Max Hawkins, University of Iowa; Weldon Walsh, Iowa State University; and Edward Voldseth, University of Northern Iowa. He added that all three men are very dedicated to their work.

Mr. Richey noted that capital appropriations, federal funds, and salaries will be discussed under other docket item headings this month. He added that some of the bills that did not pass are just as important to the board as those that did.

Mr. Richey called the board's attention to the change in the Administrative Rules Act, Senate File 1288. The final agreed-to action provides that upon the vote of two-thirds of the committee members, the Administrative Rules Review Committee may delay the effective date of a rule 70 days beyond that permitted in Section 17A.5 of the Code, unless the rule is an emergency rule. This provision shall be utilized by the committee only if further time is necessary to study it and examine the rule. The bill is now before the Governor for his signature.

House File 1573 was discussed. Mr. Richey noted this relates to performance auditing and includes a so-called Sunset provision. Mr. Richey commented that the board has had some serious concerns about certain aspects of this bill. He said the bill is now before the Governor for consideration. A memorandum was distributed to members of the board regarding performance auditing and review which indicated the experience with same in other states and some of the complications which occurred with respect to this kind of activity in the universities. The bill was written in such a way that those performing the audit could get into anything in the universities and he said it has always been a concern the board of protecting the essence of the academic enterprise, curriculum, methods of instruction, etc.

Regent Zumbach recommended the board ask for a veto of House File 1573. He said he feels that accountants and auditors should pride themselves in independence and autonomy and recommended the board oppose this bill. Regent Zumbach said he feels there is a great deal of political pressure involved in this. President Petersen said she feels one thing that concerned Regent Zumbach was the tremendous responsibility being proposed to be given to the auditors with such a meager amount of funds ($50,000). She said if the bill would pass, a large amount of time and personnel would be spent on the functions of the bill when that time should be directed toward the primary function the board has in performing the services that are in demand by the citizens of Iowa.

Regent Baldridge responded to Regent Zumbach's recommendation by saying he did not feel the board should ask for a veto. Regent Collison noted that the Board of Regents is not the only agency that would be affected if the bill became law. She added that performance auditing is a large and complex operation. She said she feels that the bill is just an effort to further define accountability. She said the board should look
at this in the sense in which it was meant and realize that it is nation­wide. She stated the board would do anything to remain accountable. She said she does not want any type of adversary relationship coming from this bill. Mr. Richey said the board has always indicated full cooperation with the legislature but the real problem with the bill as written is that it could subject the core of the academic enterprise to interference by outsiders. The bill could affect the academic programs and how they operate. He said that difference stands out between the bill's potential effect on the universities and other state agencies.

Regent Collison said she thinks the bill is a bad one but said she feels that since it is not solely directed at the Board of Regents, the board should not take it in an inflammatory sense.

Regent Zumbach recommended a letter be written to the Governor's Office addressing the concerns of the board toward the bill.

President Boyd noted that departmental reviews are a form of performance auditing at the universities. Regent Collison said people should be informed that there are departmental reviews going on.

President Petersen noted the consensus of the board was to write a letter to the Governor's Office expressing the board's opposition to the bill.

Mr. Richey noted there will be a comprehensive report on the 1976 legislative session issued within the next several weeks.

PROPOSED PRELIMINARY BUDGETS FOR 1976-77. The board was presented a summary of the appropriations in comparison with the Governor's recommendation and the request of the Board of Regents. The preliminary budget proposals for each organizational unit were set forth in the docket material for each institution. A Board Office recommendation was provided for each institution.

The Board Office reported that the General Assembly, 1976 Session, appropriated $173,656,300 for general operations of the institutions under the Board of Regents, which amounts to a 12.1% increase over the appropriations for 1975-76. These appropriations may be compared with $187,051,000 and $177,530,000 in the budget requests of the Board of Regents and the Governor's recommendation, respectively.

In addition to these appropriations the General Assembly appropriated $1.5 million to the Board of Regents to supplement the $900,000 appropriation to the State Comptroller for all state agencies for replacement of federal funds losses in 1975-76 with state funds. Appropriations have been provided in the amount of $2.5 million to cover the federal funds losses occurring in 1975-76 and continuing through the 1976-77 fiscal year. In addition, $2.9 million has been appropriated to the State Comptroller to be allocated to state departments to replace additional federal funds losses occurring during 1976-77.

Regent Bailey noted the legislative appropriations for equipment and repairs, replacements and alterations were very low with respect to the board's request.
ALLOCATION OF APPROPRIATIONS FOR FEDERAL FUND LOSSES. The board was requested to authorize the institutions, subject to approval by the State Comptroller and the Governor, to budget for continuation of programs which the board previously has approved for replacement of federal funds losses with state funds.

The Board Office reported that the budget request included $2.5 million and $3.6 million additional losses as estimated for each of the respective years 1975-76 and 1976-77. The estimates for each institution as compared with the state funds in 1974-75 were set out for the board's information. The amounts for 1975-76 have been submitted to Mr. Selden for transfer of funds from the $1.5 million appropriated by Senate File 1275, 1976 session, and from the appropriation of $900,000 to the State Comptroller for all state agencies by the 1975 session of the General Assembly. Allocation of these funds is subject to approval of the State Comptroller and the Governor. The amounts for 1975-76 were included in the preliminary budgets for 1976-77 with funding from appropriations of $2.5 million to the Board of Regents according to Senate File 1261, 1976 session, subject to allocation with the approval of the State Comptroller and the Governor.

Mr. Richey reported that it seems clear that it is the intent of the legislature to provide state funds to replace federal funds losses for instructional programs.

MOTION: Mr. Brownlee moved the board authorize the institutions, subject to approval by the State Comptroller and the Governor, to budget for continuation of programs which the board previously has approved for replacement of federal funds losses with state funds. Mr. Shaw seconded the motion.

Mr. Richey noted that the Board of Regents was apparently the only state agency that indicated to the Governor and the legislature that it anticipated additional federal funds losses for 1976-77 although the appropriation of $2,900,000 was made for all state agencies for losses. He said there may be some other agencies that may still lay claim to the money so the board can't be sure yet that it will get all of the $2.9 million.

President Petersen noted that there are four programs which are central to the missions of the board's institutions which the federal funds will be used for. She said there has been evidence that those four programs should be continued.

Vice President Moore noted the figure of $3,219,449 annual addition is needed from the State Comptroller for 1976-77 for Regents' institutions. He asked if that amount should be budgeted. Mr. Richey responded affirmatively. He said it needs to be line-itemed so it will be in the base for starting the next biennium.

VOTE ON MOTION: The motion passed unanimously.

ALLOCATION OF 1976 CAPITAL APPROPRIATIONS. The board was requested to:
1) allocate 1976 capital appropriations made in four separate
appropriations, reserving specific allocations on certain environmental projects and on handicapped accessibility until a later meeting; 2) adopt the procedures outlined in the docket memorandum for drawing funds for those projects on which the amount allocated was listed as being tentative; and 3) authorize the institutions to negotiate for architectural/engineering services on these projects:

- SUI - Lindquist Center - Phase II Detailed Plans
- ISU - Quadrangle Remodeling - Phase I Detailed Plans
- ISU - Music Building Detailed Plans
- ISD - Remodel and Centralize Food Service Operations
- IBSSS - Replacement of Deaerating Feed Water Heater Power Plant (An agreement for such services would come before the board for action at a later meeting.)

4) take action under the institutional capital register to approve a revised project budget for Speech/Art - Phase I at the University of Northern Iowa and under the Iowa State University capital register take action to approve the Turbine Generator #3 project and an agreement for engineering services.

The Board Office reported that the Board of Regents requested a total of $42,974,000 for capital and tuition replacement from the 1976 legislature. The legislature appropriated a total of $16,500,000. The following points were specifically called to board members' attention:

1. The allocations essentially follow the established Board of Regents priority in its 1976 capital askings.

2. The appropriations made by the legislature were essentially based upon the "must do" capital list of the board provided to the chairman of the committee at his request on May 3, 1976. Although $10.3 million of the appropriations is in a lump sum manner, the legislature was clearly informed as to what projects the board would spend the lump sum appropriation on.

3. The only project which was not funded at the asking level was the UNI-Dome Physical Education Movable Equipment project for the University of Northern Iowa. The Board Office noted that the first draw on unallocated funds from the 1976 appropriations would be for the restoration of the UNI-Dome Physical Education Equipment budget to its original requested level of $330,000.

4. Firm or tentative allocations were made to nine different projects at the institutions. There still is $2.5 million of the $10.3 million lump sum appropriation reserved for later allocation to environmental projects. The allocation of the $2.5 million will be made after certain studies have been completed at all three universities to determine exactly what is required on the five projects involved.

5. The legislature appropriated $600,000 for development of detailed plans for three buildings in addition to the lump sum appropriation. A tentative allocation was made to those projects based upon 5% of the total project budget as of this time.
6. The legislature appropriated $1.8 million in a separate action for the Seed Laboratory construction and equipment. That appropriation was line-itemed and funds from that can be spent for no other project.

7. The fourth appropriation made by the legislature was $500,000 for handicapped accessibility. It is expected that recommendations in that regard will be developed in time for consideration at the July board meeting.

The board noted that the allocations were placed in one of two categories - either a firm allocation or a tentative allocation. The meaning of those terms follows:

1) A firm allocation means that the institution has that much money to spend for that particular project and will not receive any additional funding from the 1976 appropriations. It also means that should there be any of the allocations remaining after the completion of the particular project the institution cannot spend that balance for some other project and would return said balance to the general Board of Regents capital account for reallocation as needed for other projects.

2) A tentative allocation puts into place somewhat similar procedures to those adopted for the 1975 capital appropriations. Exhibit C shows the success of that approach in that the board was able to fund $4,037,000 in projects with $3.7 million appropriation. In addition, the board was able to finance an emergency project at Iowa School for the Deaf of $58,000 and there currently is $24,205 unallocated to any project which could be used as an emergency or reserve fund of the board. Procedures for drawing tentative allocations are as follows:

a) The scope of projects should not change in any way to match the amount of funds available on any project. The scope should stay exactly as represented to the legislature and the board when the funds were requested. The institution should understand that no additions to those projects of any sort will be authorized without prior board approval.

b) Upon receipt of bids for each of those projects a need would be established and funds would be reserved to meet that contractual need as shown by the bids received and the contracts awards made by the board and/or the Executive Secretary.

c) Any increase in project scope after award of contract would require prior approval of the Board Office and/or the board before those changes were implemented. Such increases in project scope normally are implemented by change order funded from the contingency fund. The Board Office does not require or suggest that prior approval be requested for routine change orders during the scope of construction. It would be only those change orders which represent an addition to the established project scope.

d) Any funds remaining at the completion of any of those projects which are in the hands of the institution will be returned to the control account for 1976 appropriations.

The first draw on unallocated funds from the 1976 appropriations would be for the restoration of the UNI-Dome Physical Education Equipment budget to its original requested level of $330,000.
Regent Shaw asked Vice President Stansbury about the University of Northern Iowa's boiler situation. Vice President Stansbury reported that the university is keeping it repaired as best as possible. Vice President Stansbury said more information in regard to the boiler situation will be available by the July board meeting.

RECOMMENDED CAPITAL ALLOCATIONS--
1976 APPROPRIATIONS TO STATE BOARD OF REGENTS

EXHIBIT A

I. Lump Sum Appropriation

<table>
<thead>
<tr>
<th>Institution</th>
<th>Project</th>
<th>Amount</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNI</td>
<td>Speech/Art Building--Phase I--Project</td>
<td>$1,380,000</td>
<td>Firm</td>
</tr>
<tr>
<td></td>
<td>Restoration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISU</td>
<td>Meat Lab--Project Restoration</td>
<td>336,000</td>
<td>Firm</td>
</tr>
<tr>
<td>UNI</td>
<td>UNI-Dome--Physical Education Movable Equipment</td>
<td>264,000</td>
<td>Firm</td>
</tr>
<tr>
<td>ISU</td>
<td>Design Center Movable Equipment</td>
<td>550,000</td>
<td>Tentative</td>
</tr>
<tr>
<td>ISD</td>
<td>Remodel and Centralize Food Service Operations</td>
<td>650,000</td>
<td>Tentative</td>
</tr>
<tr>
<td>IBSSS</td>
<td>Replacement of Deaerating Feedwater Heater--Power Plant</td>
<td>50,000</td>
<td>Tentative</td>
</tr>
<tr>
<td>UNI</td>
<td>West Campus Storm Sewer for Speech/Art</td>
<td>100,000</td>
<td>Tentative</td>
</tr>
<tr>
<td></td>
<td>Phase I</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISU</td>
<td>Turbine Generator #3 &amp; Auxiliaries</td>
<td>3,495,000</td>
<td>Firm</td>
</tr>
<tr>
<td>SUI</td>
<td>Oakdale Campus Heating Plant--Environmental Deficiencies</td>
<td>975,000</td>
<td>Tentative</td>
</tr>
<tr>
<td>SUI-UNI</td>
<td>Reserved for later allocation to environmental projects*</td>
<td>2,500,000</td>
<td>Tentative</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>$10,300,000</td>
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</table>

* These projects include:
  SUI -- Water Plant--Sludge Handling Facility
  SUI -- Oil Spillage Protection Facilities
  ISU -- Power Plant Master Plan Study
  ISU -- Power Plant Environmental Deficiencies
  UNI -- Planning Funds for Replacement of Coal-fired Boiler

II. Planning Appropriation

<table>
<thead>
<tr>
<th>Institution</th>
<th>Project</th>
<th>Amount</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUI</td>
<td>Lindquist Center--Phase II--Detailed Plans</td>
<td>$300,000</td>
<td>Tentative</td>
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<tr>
<td>ISU</td>
<td>Quadrangle (Old Veterinary Medicine) Remodeling--Phase I--Detailed Plans</td>
<td>125,000</td>
<td>Tentative</td>
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<tr>
<td>ISU</td>
<td>Music Building Detailed Plans</td>
<td>175,000</td>
<td>Tentative</td>
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<tr>
<td></td>
<td>TOTAL</td>
<td>$600,000</td>
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III. Line-Item Appropriation

<table>
<thead>
<tr>
<th>Institution</th>
<th>Project</th>
<th>Amount</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISU</td>
<td>Seed Laboratory Construction and Equipment</td>
<td>$1,800,000</td>
<td>Line-item</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>$1,800,000</td>
<td></td>
</tr>
</tbody>
</table>

IV. Handicapped Accessibility Appropriation

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserved for July, 1976 Allocation</td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$500,000</td>
<td></td>
</tr>
</tbody>
</table>
MOTION:

Mrs. Collison moved the board: 1) allocate 1976 capital appropriations made in four separate appropriations (as shown in Exhibit A of the docket material), reserving specific allocations on certain environmental projects and on handicapped accessibility until a later meeting; 2) adopt the procedures outlined for drawing funds for those projects on which the amount allocated was listed as being tentative; 3) authorize the institutions to negotiate for architectural/engineering services on the following projects: Lindquist Center - Phase II Detailed Plans (SUI), Quadrangle Remodeling - Phase I Detailed Plans (ISU), Music Building Detailed Plans (ISU), Remodel and Centralize Food Service Operations (ISD), Replacement of Deaerating Feed Water Heater - Power Plant (IBSSS); and 4) take action under the institutional capital register to approve a revised project budget for Speech/Art - Phase I at the University of Northern Iowa and under the Iowa State University capital register take action to approve the Turbine Generator #3 project and an agreement for engineering services. Mr. Barber seconded the motion. The motion passed unanimously.

PREPARATION OF BUDGET REQUEST FOR 1977-79. The board was provided a memorandum from the Board Office including a proposed schedule for preparation of budget requests for 1977-79. The Board Office reported that the schedule proposed should provide for an orderly consideration of the budget request for 1977-79 and final decision by the Board of Regents at its October meeting. The proposed schedule avoids presenting the budget request to the board in a fragmentary way at numerous board meetings and provides for a more concentrated effort on the matter. On the other hand, the period for the development of the budget request is quite short with little flexibility in the schedule.

The proposed schedule for preparation of budget requests for 1977-79 follows:
GENERAL
June 9-10, 1976

July 15-16 Board Meeting

Salaries
- Faculty and Institutional Officials
- Professional and Scientific
- General Service Staff (Defer to October)
- Fringe Benefits

General Expense
- Fuel and Purchased Electricity
- Other

Equipment
- Library Books
- RR&A

Capital
- Handicapped Accessibility

Enrollment Increase Expense
- Complete Institutional Request, with Special Needs at 5% (Schedule 3)

September 16-17 Board Meeting

- Special Needs
- Tuition Report and Recommendations
- Federal Funds Losses
- Review of all Budget Components (except General Service Staff Salaries)
- Complete Institutional Request, with Special Needs in Priority Listing and Detailed Explanation
- Board Office Recommendation for Preliminary Board Decisions

October 14-15 Board Meeting

- General Service Staff Salaries (Merit System Pay Plan)
- Tuition Recommendations
- Final Board Decision

President Petersen noted that the July board meeting will include discussion of the 1977-79 budget request. In September the board will give detailed consideration to all of the aspects of the budget with the final decision on capital and operating requests to be made in October.

MOTION: Mr. Baldridge moved the proposed schedule for preparation of budget requests for 1977-79 be approved. Mr. Bailey seconded the motion and it passed unanimously.

BOARD OFFICE BUDGET FOR 1976-77. The board was requested to: 1) approve a budget of $387,200 for the Board Office for fiscal year 1976-77 and 2) give consideration to staffing for administration of the Regents' responsibility under the Public Employment Relations Act.

The Board Office reported that the proposed budget of $387,200 for the Board Office in 1976-77 includes $266,317 in state appropriations, $107,020 in reimbursements by the institutions for operation of the
Regents' Merit System, $11,135 in payments for clerical and certain supporting costs for the equal employment compliance office, and $2,728 in miscellaneous reimbursements. The budget for the current year is $351,900.

The Board Office stated that the proposed budget assumes the same level of staffing and service as the current year. No provision was made, nor were funds appropriated, for administering the Regents' responsibilities under the Public Employment Relations Act. The components of the proposed budget were discussed in detail in the docket material.

The salary range for the executive secretary was set by statute at $23,400 to $32,000 with the specific salary to be established by the Governor. The current salary of the executive secretary is $27,500. The proposed budget for salaries of Board Office employees was based on the mandated general increase of 5% plus merit increases based on performance evaluations.

The budget for other expenses was based on a full staff complement. It was noted that travel expenses will be higher because of numerous vacancies in the merit system staff and budget section in the current year.

The budget proposed for the Regents' Merit Office was about $4,000 below that anticipated when the request was made last winter. Substantial reductions were made in the salary budget as the result of staff changes. Expenditures for the current year are expected to be about $10,000 below budget. This amount is being returned to the institutions. The savings are due entirely to staff turnover and would have been larger but for the allocation of $4,000 for initiation of the test validation program.

MOTION: Mr. Baldridge moved the board approve a budget of $387,200 for the Board Office for fiscal year 1976-77. Mrs. Collison seconded the motion.

Mr. Richey noted that the proposed budget is subject to allocations from the State Comptroller. He added that the salary of the executive secretary is subject to approval of the Governor. He said that is not the board's decision to make. President Petersen said she assumed the board would like to have the Governor set that salary as high as possible. Mrs. Petersen stated that the board's policy was to have the salary set at the top of the range and further commented that the action taken by the legislature did not reach the $35,000 level as requested by the board. The General Assembly provided $8,000 in the Board Office appropriation for increasing the executive secretary's salary to $35,000 as requested by the Board of Regents. The statutory maximum of $32,000 governs, however, and was included in the budget estimate subject to action by the Governor.

VOTE ON MOTION: The motion passed unanimously.

The Board Office reported that administration of employee relations responsibilities of the Board of Regents under the Public Employment Relations Act will involve a very heavy workload in the Board Office. The staffing problem involves both time and competence. It seems likely that major activity in collective bargaining will resume within the next few weeks. The initial workload will occur with respect to negotiations and hearings on unit structures. Once the units are established, employee organizations will attempt to organize them and petition for elections. When a unit is organized, formal collective bargaining negotiations will get under way.
The board has the major task of coordination of collective bargaining and liaison with the Governor's Office and with the Public Employment Relations Board. In addition, activities with respect to certain types of units undoubtedly will need to be carried out on a Regents-wide basis. The institutions also will have major responsibilities for administration of collective bargaining on campus. No funds were provided by the General Assembly for either the institutions or the board for administering the responsibilities imposed by the act. Since the funds were requested and not provided, it is probable that the Governor is precluded from allocating contingency funds for this purpose.

The Board Office reported that it appears to be essential that the board have the nucleus of a staff, highly competent, on board at the earliest possible date. Although institutional resources are severely strained because of enrollment growth and inflation, which were not adequately provided for in the appropriations, it would appear that the demands of collective bargaining require that the board allocate sufficient funds from the institutions to employ a labor relations director in 1976-77. It is improbable that a qualified person can be attracted for less than $35,000 including cost of fringe benefits even with close cooperation with the universities in the recruitment process. An additional $5,000 for travel, printing, postage, part-time clerical help, etc. probably would also be needed.

If $40,000 were allocated from the institutions in proportion to their numbers of full-time employees in April 1976, the cost would be shared as follows:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Iowa</td>
<td>$21,825</td>
</tr>
<tr>
<td>(Including University Hospitals</td>
<td></td>
</tr>
<tr>
<td>and all other units)</td>
<td></td>
</tr>
<tr>
<td>Iowa State University</td>
<td>$14,080</td>
</tr>
<tr>
<td>University of Northern Iowa</td>
<td>$ 3,265</td>
</tr>
<tr>
<td>Iowa School for the Deaf</td>
<td>$  500</td>
</tr>
<tr>
<td>Iowa Braille and Sight School</td>
<td>$  330</td>
</tr>
</tbody>
</table>

If it would be assumed that institutional shares are not necessarily related to the number of full-time employees, the traditional 40% for the University of Iowa, 40% for Iowa State University and 20% for University of Northern Iowa formula might be appropriate.

Mr. Richey said he feels it is quite obvious that a staff person is necessary to handle collective bargaining matters. He said that, hopefully, the service provided to the institutions will be helpful. He said he feels the board would definitely want to try to restore the money provided by the institutions back to the institutional funds next year.

President Boyd noted that the Board Office's request has "no surprise element" in it. He said, however, he feels it would be good to have the Board Office and institutions visit about the allocation of responsibility as well as the actual selection of persons.
MOTION: Mr. Baldridge moved the board allocate $40,000 by assessment to the institutions for a director of employee relations in the Board Office to handle coordination of collective bargaining with the details to be brought to the board at the next meeting. Mrs. Collison seconded the motion.

President Parks said Iowa State University is agreeable to set aside some funds for the purpose of hiring a director of employee relations after it has been surveyed to see what's needed. He agreed with a statement made by Regent Shaw that possibly the board wouldn't need as "high-powered" a person right now as it thinks, but said that on the other hand the board has to anticipate that it may.

VOTE ON MOTION: The motion passed unanimously.

EXECUTIVE SESSION. President Petersen reported that there were several matters to be discussed in executive session: a personnel matter at the University of Iowa, a property matter at the University of Iowa, and a strategy matter in regard to collective bargaining.

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

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

NAY: None.

ABSENT: None.

The board, having voted in the affirmative by at least a two-thirds majority, resolved to meet in executive session beginning at 3:50 p.m. and arose therefrom at 5:30 p.m.

The following business pertaining to general or miscellaneous items was transacted on Thursday, June 10, 1976.

APPROVAL OF MINUTES OF THE MAY 13-14, 1976 MEETING. The minutes of the State Board of Regents meeting of May 13-14, 1976 were approved as corrected.

President Petersen reported that she attended a meeting of the Iowa State University Foundation and it was that body's unanimous vote to ask the board to favor naming the stadium "Cyclone Stadium." President Parks requested that the record show that his recommendation for naming the stadium "Cyclone Stadium" is still before the board and it can act on the matter whenever it wishes. The circumstances as to how this matter would be brought back to the board were discussed. Regent Brownlee asked whether it had to be formally docketed and Mr. Richey responded negatively.
COLLECTIVE BARGAINING ISSUES. The board was requested to designate the Governor's Director of Employment Relations as its agent to carry out collective bargaining responsibilities, except for the grievance procedures short of arbitration, for any employees under its jurisdiction who are in statewide units for fiscal and staff service, patient care, education and engineering.

It was noted by the Board Office that the agreement between the Board of Regents and the Governor relating to administration of collective bargaining responsibilities has been signed and was presented to members of the board for information. Approval of this arrangement would contribute to the effective administration of the Public Employment Relations Act.

President Petersen noted that the recommended action is really a carryover from the board's discussion last month when it approved an agreement with the Governor for collective bargaining administration. What the board is being requested to do today is to take one of the steps necessary to implement that agreement which, as board members remembered, retained board control over the academic enterprise but provided for necessary consultation with the Governor on fiscal matters. There have been questions raised concerning the impact of Senate File 1261, which of course is not yet law. She said that frankly, the board's unsure of its impact, particularly as it's a rider on a one-year appropriations measure. President Petersen recommended the board go forward with the action recommended which the board will take as a consequence of an agreement made in good faith with the Governor.

President Petersen said this specific action will only take effect if certain employees not directly related to the academic programs are assigned to statewide bargaining units. It will be the Public Employment Relations Board which will determine how employees are grouped in bargaining units under criteria established in the Public Employment Relations Act.

MOTION: Mr. Slife moved the Board of Regents designate the Governor's Director of Employment Relations as its agent to carry out collective bargaining responsibilities, except for the grievance procedures short of arbitration, for any employees under its jurisdiction who are in statewide units for fiscal and staff service, patient care, education and engineering. Mr. Baldridge seconded the motion and it passed unanimously.

BOARD OFFICE PERSONNEL REGISTER. The board was requested to approve the Board Office Personnel Register as follows:

Revised Date of Appointment

In absence of objections, President Petersen approved the Board Office Personnel Register as shown above.
APPOINTMENTS. The following appointments were recommended by President Petersen for approval:

**Iowa Coordinating Council for Post High School Education**
President W. Robert Parks with Weldon Walsh, University of Iowa, as alternate
Regent Steven E. Zumbach with Regent Stanley R. Barber as alternate
Regent Harry G. Slife was recommended for reappointment as alternate

**Iowa Educational Radio and Television Facilities Board**
Regent Donald H. Shaw

**Iowa State University Alumni Board**
Regent Steven E. Zumbach was recommended for reappointment

**Iowa State University Union Board**
Regent Margaret M. Collison was recommended for reappointment

**Iowa State University Research Foundation**
Regent Stanley R. Barber

President Petersen reported that she was recommending Regent Zumbach serve a full term on the Coordinating Council while Regent Barber was recommended to fill an unexpired term with the ISU Research Foundation.

**MOTION:**
Mr. Brownlee moved the above appointments and reappointments as recommended by President Petersen be approved. Mr. Bailey seconded the motion and it passed unanimously.

**ELECTION OF PRESIDENT OF BOARD OF REGENTS.** The Board Office reported that Chapter 262.9 of the Code provides that the Board of Regents shall elect the president of the board each even-numbered year, who shall serve for two years and until his successor is elected and qualified. The normal effective date of such election is on July 1.

**MOTION:**
Mr. Bailey moved that Mrs. H. Rand Petersen be re-elected as president of the Board of Regents. Mr. Brownlee seconded the motion and it passed unanimously.

**ANNUAL REPORT OF THE IOWA STATE UNIVERSITY ACHIEVEMENT FUND.** The board was requested to accept the annual report of the Iowa State University Achievement Fund.

The Board Office reported that the Iowa State University Achievement Fund is the fund-raising arm of the Iowa State University Alumni Association. Along with the Iowa State University Foundation, it is an integral part of Iowa State's overall development program. The achievement fund generates more than $1 million in private support annually from somewhat more than 16,000 contributors. Last year the fund received $1.33 million from 16,509 donors. Thus, through the excellent work of this organization the university is provided with substantial additional monies with which to carry out its many and diverse missions. Without these monies to supplement state and federal funds, many of the activities currently carried out by the university would be impossible.
These activities include cultural enrichment programs, teaching awards, lecture funds, research grants, scholarships, student loan funds and major building projects.

NEXT MEETINGS.

<table>
<thead>
<tr>
<th>Month</th>
<th>Event</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 25</td>
<td>Seminar - University of Northern Iowa</td>
<td>Cedar Falls</td>
</tr>
<tr>
<td>July 15-16</td>
<td>Seminar - Iowa State University</td>
<td>Ames</td>
</tr>
<tr>
<td>August 26</td>
<td>Seminar - Iowa State University</td>
<td>Ames</td>
</tr>
<tr>
<td>August 27</td>
<td>Seminar - University of Iowa</td>
<td>Iowa City</td>
</tr>
<tr>
<td>September 16-17</td>
<td>University of Iowa</td>
<td>Iowa City</td>
</tr>
<tr>
<td>October 14-15</td>
<td>Iowa School for the Deaf</td>
<td>Council Bluffs</td>
</tr>
<tr>
<td>November 11-12</td>
<td>University of Northern Iowa</td>
<td>Cedar Falls</td>
</tr>
<tr>
<td>December 9-10</td>
<td>Iowa State University</td>
<td>Ames</td>
</tr>
</tbody>
</table>

EXPRESSION OF APPRECIATION. Regent Bailey recognized Regent Zumbach for representing the board on May 30 at the Iowa Chapter of the National Federation of the Blind's meeting.

FIRST PRESBYTERIAN CHURCH. The board was requested to drop further negotiations with Friends of Old Brick unless the Presbyterians were persuaded to change their mind by the time of the board meeting about proceeding to demolish the sanctuary of the First Presbyterian Church.

The Board Office reported that at its April 1976 the board heard a presentation from Friends of the Old Brick Presbyterian Church, Inc. and the result of that discussion was that the board moved that the Board Office be directed to seek an extension for execution of the contract with the Presbyterian Church of Iowa City, Iowa from its current date of May 1, 1976 to a time not later than July 1, 1976 and that if that extension is agreed to, the board would consider a proposal from the Friends of Old Brick at a board meeting prior to the expiration of the extended date. This proposal shall be for a purchase agreement based generally upon the lines of the proposal worked out previously with the Lutheran Campus Council.

By letter of April 22, 1976 the First Presbyterian Church, responding to the request of the Board of Regents, extended the time of performance of the contract to August 1, 1976. It was stated therein that the session wished it understood that this was the last extension it would grant.

Following receipt of that extension, the Board of Regents' staff met with representatives of Friends of Old Brick. Friends of Old Brick formulated two proposals for consideration by the board. The first proposal was for a time-purchase agreement. Legal counsel later informed the board that it had no statutory authority to enter into such a time-purchase agreement, and it was believed that such an agreement would be in violation of Article 7 of the Constitution of the State of Iowa.

The second proposal of Friends of Old Brick was considered by the board in a conference call on May 26, 1976. This basically provided for a three-year purchase option agreement accompanied by certain terms and conditions suggested by Friends of Old Brick. The board, during that conference
call, decided that Friends of Old Brick should be given additional time to come up with the funds necessary to purchase the property outright for the purpose of preservation of the sanctuary as an historic landmark. A purchase option agreement was sent to Mr. Emil Trott, President of Friends of Old Brick, for consideration and approval or disapproval on Thursday, June 3. Receipt of that agreement was noted on Friday, June 4.

The proposal was conditioned on agreement by the First Presbyterian Church of Iowa City to certain contractual changes in the existing contract the board has with that church. Paragraph 6 of the purchase option agreement proposed to the Friends of Old Brick states that this option is contingent upon the board and the First Presbyterian Church arriving at a satisfactory agreement for the extension of their existing contract requiring demolition of said sanctuary until July 1, 1977 and adjustment of the payment of the purchase price and title transfer accordingly.

To review the basic terms of the agreement with the Presbyterians, the board agreed to pay $140,000 for the property and the educational wing. The title to the sanctuary itself would never be held by the Board of Regents and a condition of the contract with the First Presbyterian Church is that the sanctuary would be razed by the church and the ground leveled prior to title transfer to the Board of Regents of the property and the educational wing.

The board by letter of May 28, 1976 requested the Presbyterian Church to continue its obligation to raze the sanctuary until July 1, 1977 and to continue to hold title to the sanctuary until that time.

The First Presbyterian Church Session met on Thursday evening, June 3, and informed the Board Office that it would not make any changes in the contract as requested by the Board of Regents and intended to begin razing the sanctuary shortly after the June board meeting to comply with the August 1 date for completion of the contract it has with the board. Mr. Trott was immediately informed of this decision of the Presbyterian Session and, because of paragraph 6 of the purchase agreement, was also informed that the purchase option agreement was now null and void.

The Board Office stated that it was assumed because of the Presbyterians' insistence that the sanctuary be demolished, that the Board of Regents will want to carry out its contractual obligations with the First Presbyterian Church and receive title to the property and educational wing with the sanctuary removed by August 1, 1976.

President Petersen commented that the board had now received a revised proposal from the Friends of Old Brick dated June 9, 1976 from Mr. Trott. She read it to the board. The letter, in part, follows:
Dear Regents:

This is to spell out in greater detail the proposal made in our communication of June 7, 1976:

1. Title to the Old Brick church building may be taken in any organization or individual whom you designate, for example, State Division of Historic Preservation (Section 303.8 of the 1975 Code of Iowa), a bank or its trust department, a well-known and qualified individual. If you should so desire, our organization will take title.

2. We will provide surety in form and amount satisfactory to you to insure that the sanctuary will be demolished in the event we do not exercise the proposed option. This surety may be in the form of a bond, cash placed in escrow, letter of credit, signatures, or whatever other method or combinations of methods you might prefer. Our information is that the approximate cost of the demolition of the building at this time would be $14,000.00. We would expect that you would want the surety to be in some amount greater than this to cover inflation and unexpected contingencies.

3. We will provide liability insurance in such amount as you may specify.

4. It is difficult for us at this time to think of any requirement which you might make with which we would be unwilling to comply.

We appreciate your hesitancy in dealing with us since we are a new organization with few assets except the overwhelming support of people from all over Iowa. However, we are able and willing to carry out the points outlined above. And in this bicentennial year it seems appropriate to point out that two hundred years ago there was a new nation with few assets that has grown to be the most powerful on earth. We ask that you have the same confidence in us that the people had in their new country two centuries ago.

President Petersen also read aloud the letter which follows from Adrian D. Anderson, Director, State Historical Department of Iowa, Division of Historic Preservation:

Dear Mr. Richey:

I have advised the "Friends of Old Brick" that the Division of Historic Preservation, Iowa State Historical Department, might be able to provide their organization and the Regents with a measure of assistance in resolving the problems concerning the Church.

I would like the Regents to consider the following suggestions:

1. The Regents enter into an agreement with the Friends of Old Brick and the Board of the Iowa State Historical Department which would
   (a) Allow the Friends of Old Brick a specified time to acquire the purchase price and preservation funds.
(b) Require that the Friends of Old Brick place sufficient funds in escrow to pay for demolition of the church, should demolition become necessary.

(c) Require the Division of Historic Preservation to oversee the development and use of the property.

(d) If the Friends of Old Brick cannot raise the required funds within the stipulated time, the Division of Historic Preservation will be responsible for ensuring that salvage and demolition are carried out and title transferred to the Regents.

It seems to me that this might solve some of the problems, since it would place full responsibility on the Division of Historic Preservation, should demolition become necessary. I am willing to accept that responsibility.

If this appears reasonable, please convey that information to me and I will bring the matter before the Board of the Iowa State Historical Department at their June 21 meeting.

Mrs. Dorothy Whipple, representing the Friends of the Old Brick Presbyterian Church, Inc. was present for discussion.

Regent Bailey said he feels there are two fundamental things that the board has to be concerned about, considering the situation with reference to the federal government and its requirements to historic monuments. He said that any change to be made must be based on that it is fully beyond the board's control as a determinant for the demolition. He said the responsibility for demolition must be in the hands of some organization or individual that is fiscally responsible so that the demolition can be done at no cost to the Board of Regents.

President Petersen reported that Ms. Thelma Heflin of the board of the Iowa State Historical Department called her to say that the proposal presented above by Mr. Anderson would, in all likelihood, be the pleasure of the Iowa State Historical Department's board and said the Board of Regents need not be concerned about a possible refusal of the proposal by that board.

Mr. Richey said that if the Regents agreed to that transfer of title of the sanctuary to the Iowa State Historical Department, it would be providing for the state to own the sanctuary. He said the board would own the land, having paid $140,000 for it from non-state funds. The state would then own a "historic" building if the sale took place. The implications are that should there be any hesitancy in executing any contract on demolition, it is between the state and the state. He referred specifically to the State Board of Regents and the State Historical Society. He said the Board of Regents, in effect, could well lose control over that entire property for which it paid $140,000 from non-state funds. President Boyd said the board would need to have a very definitive agreement as to what was happening. Mr. Richey said he was not sure that there can be any mechanism developed between two state agencies because that decision lies outside the Board of Regents. It lies with the State Executive Council.
President Petersen expressed opposition to having the State Historical Department owning the church and said she felt that would be an impossible situation.

Regent Bailey said that if the State Historical Department owned the building, however, it might trigger the federal government's position on preservation of the building.

Mr. Richey commented that five years ago the Presbyterian congregation decided to dispose of the church when it voted to build a new one. The issue of the disposition of the sanctuary has been going on for five years. The Board of Regents has been directly involved in this matter for about two years and has spent about 14 months with negotiations with the Lutherans with respect to possible sale of the property to them and has now spent several months with the Friends of Old Brick. He asked members of the board if they wanted to extend the contract for another year.

Mrs. Whipple noted that she, also, has been involved in this matter for five years. She said the conditions have changed radically. Regent Shaw, at the request of Mrs. Whipple, read aloud part of a proclamation presented the board by Mrs. Whipple which she hoped would prove to members of the board that the Friends of Old Brick are qualified to handle the situation.

Regent Collison asked Mrs. Whipple if the Friends of Old Brick can deal directly with the Presbyterians who are now holding that contract to demolish and get them to agree to an extension. Mrs. Whipple said the Friends of Old Brick will do anything that is necessary.

As a matter of background information, Mr. McMurray reported that the board (after the April board meeting) sent out a request to the Presbyterians. The letter was addressed to Mr. Wilson, chairman of the negotiating committee, asking that contract execution date be extended until July 1. The Presbyterian Session met on that and had to have two meetings because in the first meeting they were not able affirmatively to respond to the board's request. After the second meeting, they responded saying they would extend the contract until August 1, 1976 but that this would be the last request for extension that they would entertain. They suggested a course of action in that letter whereby the Presbyterians would extricate themselves from this matter. They also suggested that they would entertain a request from the board to continue or extend the date by which the razing obligation would have to be made. The Board of Regents made such a request to the Presbyterians approximately two weeks ago.

Mr. McMurray said he was in constant contact with Mr. Wilson up until the actual meeting of the Presbyterian Session on this matter and Mr. Wilson telephoned in a letter to the Board Office the morning after the session meeting which stated that the Presbyterians flatly turned down any request that the board had made in that letter to them. He said there has been no change in the position of the Presbyterians on this. No indication has been given by Mr. Wilson that the Presbyterians intend to do anything other than carry out the conditions of the contract with the Regents fully and completely. That includes razing of the sanctuary on schedule, and turning over the title to the property and the educational wing to the Board of Regents by or before August 1, 1976.
Regent Baldridge said he feels that while people seem to be in favor of saving this heritage, no one wants to contribute to it. He said that while he lauded the Friends of Old Brick's spirits, he was discouraged in that he didn't feel enough financial support could be raised. Mrs. Whipple noted that the Friends of Old Brick have just started its feasibility study in terms of stabilization costs. She asked the board to let the Friends of Old Brick try to raise the money. She added that the Friends of Old Brick have had support from Senator Clark, former Senator Hughes, and former Representative Schwengel. Regent Baldridge then encouraged Mrs. Whipple's organization to work with those persons and the Presbyterians on this matter.

President Boyd said that through the years he has been the principal proponent of trying to save the building within the context of the Regents and the Regents' institutions.

Mrs. Whipple said there is now a bill in Congress which has passed both Houses and it reports that Iowa will receive much more beginning next year for historical monumental purposes. She said next year the United States will gain $20 million for such cause whereas it now only receives $8 million. She asked that the board take that into consideration.

MOTION: Mr. Slife moved that the Board of Regents and the University of Iowa join with Friends of Old Brick in their request that the Presbyterians reconsider the Board of Regents proposal of May 28, 1976, to amend its contract with the Presbyterians. The Board of Regents agrees to discuss this matter further with Friends of Old Brick should their efforts with the Presbyterians to amend that contract be successful. The motion was seconded by Mrs. Collison and it passed unanimously.

EXPRESSION OF APPRECIATION. President Petersen noted that Chuck Roberts, news editor for the Associated Press, will be taking on a new assignment as Chief of the Bureau in Centralia, Illinois. She expressed appreciation for the board for Mr. Roberts' interest in covering board meetings.

President Petersen asked board members and institutional executives if there were additional matters to be discussed under the general portion of the docket. No additional items were brought up for discussion.
The following business pertaining to the State University of Iowa was transacted on Wednesday, June 9, 1976.

MEDICAL SERVICE PLAN. The board was presented a memorandum by the Board Office which noted that the university provided board members with information on the trends in income expenditures and balances for the medical service and trust funds. Income from the Medical Service Plan was shown in the service fund accounts and used for operations. At the end of the year all funds are transferred to the trust fund account from which expenditures are made. The administration of those accounts was set forth in the Medical Service Plan.

Dean John W. Eckstein, College of Medicine, was present for discussion as well as William L. Lillibridge, in behalf of the faculty, acting in his capacity as business manager of the Medical Service Plan; and Professor Henry E. Hamilton, Internal Medicine.

Mr. Lillibridge reported that at the time the Medical Service Plan was established in 1946, it was stipulated that the "operation (would be) subject to review thereafter by the University authorities in consultation with the Faculty of the College." Recently, in compliance with this requirement, an informational meeting was held with President Boyd, members of his office, and representatives of the faculty of the College of Medicine. From that meeting came the suggestion that consideration be given to a similar informational review with the Board of Regents.

Mr. Lillibridge said that in brief, the Medical Service Plan is a system by which the physicians in the College of Medicine turn over all professional fee earnings resulting from the care of patients to their respective clinical departments, to be used for educational purposes. Accounts are handled through the university, with income and expense subject to university regulations.

Mr. Lillibridge commented that the plan has been in existence for 30 years. Its relative stability is attested to by the fact that only four amendments have been made to the Board of Regents' approved operating document since its inception and none of these changes altered its basic principles. He noted that the plan's basic strength lies in the desire and will of the faculty members to make it succeed. He explained in detail the operation of the Medical Service Plan to the board and those details are on file at the Board Office.

Mr. Lillibridge said the faculty believes that the system continues to provide a viable means for dealing with the ever-changing circumstances facing all colleges of medicine throughout the country.

Dr. Hamilton noted he has been part of the medical school since 1946 and said he is very proud to have been part of this movement that has helped develop and maintain the Medical Service Plan. He noted that the accounting system at the medical school is monitored 100%. 651
Dr. Hamilton noted that all patients are treated the same, regardless of ability to pay. An encouraging oral report regarding the Medical Service Plan was presented to the board by Dr. Hamilton.

Regent Collison asked about malpractice insurance coverage. Mr. Lillibridge responded that they are reviewing that problem and attempt to keep "ahead of it."

Regent Collison asked what changes need to be made with the Psychiatric Hospital in order to integrate it into the system. Mr. Lillibridge said when the plan was formulated 30 years ago, the Psychiatric Hospital was under a separate funding base. He noted that the Psychiatric Hospital does everything exactly the same way with respect to accounting as the Medical Service Plan.

President Petersen thanked Dean Eckstein, Mr. Lillibridge, and Dr. Hamilton for their parts in the Medical Service Plan and expressed thanks also to the University of Iowa for the fine report. A complete copy of the report is on file at the Board Office.

STUDENT SERVICES/ACADEMIC AFFAIRS ANALYSIS AND PLAN. The board was presented a report prepared by Dr. Philip G. Hubbard, Vice President for Academic Services and Dean for Academic Affairs. The report noted the first steps in a review of the functions and operation of the entire student affairs area at the University of Iowa. The initial steps, which were discussed in the report, include an effort to begin the review process with a review of the Office of the Vice President for Student Services.

No action was requested of the board on this item but it was noted that the board might wish to encourage similar reviews of other administrative areas of the University of Iowa, as well as the various administrative areas of the other Regent institutions.

The Board Office congratulated Dr. Hubbard for the excellent effort at reviewing the areas for which he is responsible. Dr. Hubbard was present for discussion.

President Boyd reported that all the departments in the College of Medicine have been reviewed at least twice.

An oral presentation by Dr. Hubbard provided the board with evidence that the self-study and review of the Office of Vice President for Student Services and Dean of Academic Affairs was indeed worthwhile.

SEMINAR - UNIVERSITY OF IOWA. President Boyd recommended the board spend an additional day for seminar purposes at the university August 28th. The board is now scheduled to be at the university August 27. President Boyd said that health services could benefit from a half-day of the board's time, also. President Petersen said she would report to the board later as to whether the academic seminar will be extended for an additional half-day after she finds out how many Regents can be available for that day. President Boyd stressed the importance of the additional time at the university.
The following business pertaining to the State University of Iowa was transacted on Thursday, June 10, 1976.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of May 1976 were ratified by the board.

APPOINTMENTS/CHANGE OF STATUS. The board was requested to approve the following appointments:

Ray B. Mossman as treasurer of the university for 1976-77.

Leonard R. Brcka as secretary of the university for 1976-77.

Robert L. Hulbary as chair, Department of Botany, College of Liberal Arts, for a four-year term beginning August 23, 1976.

Eugene W. Johnson as chair, Department of Mathematics, in the College of Liberal Arts, for a three-year term beginning August 23, 1976.

Virendra C. Patel as chair, Division of Energy Engineering, College of Engineering, effective July 1, 1976 for a five-year term, at a salary as budgeted for 1976-77.

The following resignation was presented for approval:

John F. Kennedy, chair, Division of Energy Engineering, College of Engineering, effective June 30, 1976, to devote full time to being director of the Institute of Hydraulic Research and to his teaching.

President Boyd presented the following supplemental appointments and/or change of status items for board approval:

George Chambers, executive vice president and professor to professor of Educational Administration, beginning August 23, 1976 at a salary as budgeted for 1976-77.


Phillip E. Jones, assistant vice president for Administrative Services and assistant professor to assistant vice president for Administrative Services, assistant professor, and director of Affirmative Action, beginning August 23, 1976 at a salary as budgeted for 1976-77.
John Colloton, director of University Hospitals and Clinics and assistant executive vice president for Health Services to director of University Hospitals and Clinics and assistant to the president for University Health Services, beginning August 23, 1976 at a salary as budgeted for 1976-77.

Robert Gosseen, assistant to the president, resigned effective September 1, 1976 to become partner in law firm in New York City.

Edward Jennings, assistant dean of Faculties and associate professor to assistant dean of Faculties, associate professor, and coordinator of University Budgets, beginning August 23, 1976 at a salary as budgeted for 1976-77.

Randall Bezanson, associate professor to associate professor and assistant to the president for 1976-77, beginning August 23, 1976 at a salary as budgeted for 1976-77.

President Boyd said that Mr. Chambers has performed with great distinction in his administrative role for the university. President Petersen expressed appreciation for Mr. Chambers' administrative leadership before the Board of Regents, also.

President Boyd reported that Ms. Foxley has given the university outstanding leadership in her position and has worked with a number of federal and state agencies in order to bring the university in compliance with affirmative action.

It was reported that Assistant to President Boyd, Robert I. Gosseen, has resigned to go back to the law firm with which he was associated in New York prior to coming to the University of Iowa. President Boyd said Mr. Gosseen has been offered a partnership in the firm and said this is recognition Mr. Gosseen well deserves.

President Boyd stated that Mr. Jones will have an addition to his responsibilities as shown in the above change of status. Director Colloton's status change means that all the Health Services will report through him. Mr. Jennings will continue as associate professor but will also have the title of coordinator of university budgets. Half of Mr. Bezanson's time, beginning August 23, 1976 will be as assistant to the president.

MOTION: Mr. Brownlee moved the board approve the above-named appointments and change for the University of Iowa with salary as budgeted. Mrs. Collison seconded the motion and it passed unanimously.

APPROVAL OF THE UNIVERSITY OF IOWA'S RECORDS MANAGEMENT LISTS. The board was requested to approve the records management lists as submitted by the University of Iowa.

The Board Office reported that the Records Management Act requires the Board Office and Regents' institutions to adopt procedures for: 1) the
efficient and economic management of records; 2) the security and standards for efficient utilization of space and equipment; and 3) standards for retention of records.

The Board Office commented that it appears the institution has not developed guidelines for its records management program. Although the ultimate responsibility for a successful program lies within departments, departments should operate within established guidelines in order that there be consistency throughout the institution in the maintenance, filing, security and disposition of official university records. In response, President Boyd said the guidelines were purposely omitted because of current differences. He said the university feels it is in compliance with the rule but the next step would be to abandon file cabinets and equipment which it doesn't feel it can do.

MOTION: Mr. Slife moved the board approve the Records Management Lists as submitted by the State University of Iowa. Mr. Baldridge seconded the motion and it passed unanimously.

ANNUAL REPORT ON THE OPERATION OF TENURE POLICIES, 1975-76. The board was requested to accept the report of the State University of Iowa on the operation of its tenure policies.

The Board Office stated that the annual report is similar to the last several such reports it has submitted in that it deals less with the operation of its tenure policies and more with institutional efforts to maintain what it terms "faculty vitality." A major emphasis of the university has been in the area of coordination of faculty developmental assignments.

Regent Collison expressed appreciation to the university's academic dean, Vice President for Academic Affairs Brodbeck, for the tremendous job she is doing with the faculty. President Boyd shared Regent Collison's appreciation for Dean Brodbeck.

In absence of objections, President Petersen accepted the report of the State University of Iowa on the operation of its tenure policies.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the period of May 1 to June 4, 1976 had been received by him, was in order, and recommended approval.

The Board Office reported that under the new contract procedures approved by the board at the May board meeting, the executive secretary has awarded 11 contracts on seven different projects utilizing Form A which is issued when the award of contract can be made where the institutions report no irregularities. Contract awards which are subject to ratification by the board under Form A for this month follow:
<table>
<thead>
<tr>
<th>PROJECT</th>
<th>AWARDEE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Laboratories Exterior Repairs - Phase II</td>
<td>Bert M. Lafferty Co., Rock Island, Illinois</td>
<td>$30,734</td>
</tr>
<tr>
<td>Old Upper Nine Finkbine Recreation Play Fields</td>
<td>Barkers, Inc., Iowa City, Iowa</td>
<td>$29,400</td>
</tr>
<tr>
<td>Hancher Auditorium - Stage Floor Resurfacing</td>
<td>Western Waterproofing Co., West Des Moines, Iowa</td>
<td>$37,882</td>
</tr>
<tr>
<td>Pharmacy Building - Ventilate Mechanical Room</td>
<td>Dahl Air Conditioning and Heating Co., Van Meter, Iowa</td>
<td>$16,900</td>
</tr>
<tr>
<td>Schaeffer Hall Renovation</td>
<td>O.F. Paulson Construction, Cedar Rapids, Iowa</td>
<td>$147,194</td>
</tr>
<tr>
<td>Schaeffer Hall Renovation</td>
<td>Bert M. Lafferty Co., Rock Island, Illinois</td>
<td>$34,876</td>
</tr>
<tr>
<td>Schaeffer Hall Renovation</td>
<td>Hawkeye Roofing and Home Improvement Co., Hiawatha, Iowa</td>
<td>$9,736</td>
</tr>
<tr>
<td>Schaeffer Hall Renovation</td>
<td>O'Brien Electrical Contractors, Inc., Iowa City, Iowa</td>
<td>$31,750</td>
</tr>
<tr>
<td>Coal Silo Replacement</td>
<td>Lloyd McLaughlin Construction Company, Des Moines, Iowa</td>
<td>$16,000</td>
</tr>
<tr>
<td>Coal Silo Replacement</td>
<td>Marietta Concrete Company, Marietta, Ohio</td>
<td>$46,250</td>
</tr>
<tr>
<td>Field House/Armory - Replace Synthetic Floor</td>
<td>Swanson Gentleman, Inc., Des Moines, Iowa</td>
<td>$186,021</td>
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</tbody>
</table>

The executive secretary awarded an additional four contracts on four different projects utilizing Form B which is used to award a contract and to waive minor irregularities. Projects which also require board ratification follow:

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>AWARDEE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roy J. Carver Pavilion - Air and Water Balancing and Testing of Systems</td>
<td>Systems Management and Balancing, Inc., Des Moines, Iowa</td>
<td>$31,113</td>
</tr>
<tr>
<td>Art Building - Install Dust Collectors</td>
<td>University Climate Control, Inc., Iowa City, Iowa</td>
<td>$6,699</td>
</tr>
<tr>
<td>Medical Laboratory Building Remodeling - Pathology Suite</td>
<td>O.F. Paulson Construction Co., Cedar Rapids, Iowa</td>
<td>$180,900</td>
</tr>
<tr>
<td>Hancher Auditorium - Renovation of Women's Restrooms</td>
<td>Jacobson Construction Co., Cedar Rapids, Iowa</td>
<td>$39,600</td>
</tr>
</tbody>
</table>
The Board Office noted that under the new construction contracts procedures a Form C has been developed which is referral of contract award to the board for action at its next meeting. Such referral normally will occur when there is a major irregularity or unusual circumstance caused normally by the fact that contract award cannot be made within the project budget approved by the board. In those cases, the Board of Regents awards the contract, rather than the executive secretary. There were three such projects and three such contract awards this month accompanied by the necessity to approve three revised project budgets. The following recommendations were presented to the board:

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>AWARDEE RECOMMENDED</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Parking Ramp No. 2</td>
<td>Rinderknecht Associates, Inc., Cedar Rapids, Iowa</td>
<td>$2,123,100</td>
</tr>
<tr>
<td>(A revised project budget totaling $3,053,000, an increase of $255,000 over the previously approved project budget, was recommended. The additional funds would come from borrowing $200,000 more from the Iowa-Des Moines National Bank and from $55,000 additional receipts from balances from parking operations. The reason for the increase is to pick up Alternate No. 1 to add 60 additional spaces and there also are increased utility connection costs not anticipated previously.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Hall - Third Floor</td>
<td>Jones Plumbing and Heating, Inc., Iowa City, Iowa</td>
<td>$ 95,000</td>
</tr>
<tr>
<td>Air Conditioning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A revised project budget totaling $114,300, funded from University RR&amp;A, also, was recommended for approval. The original estimates were too low for both equipment and installation.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jefferson Building Fire</td>
<td>Burger Construction Co., Iowa City, Iowa</td>
<td>$ 53,436</td>
</tr>
<tr>
<td>Escapes</td>
<td></td>
<td></td>
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<tr>
<td>(It was necessary to request the board to approve a revised project budget totaling $68,561, also funded from RR&amp;A. The reason for the increase is that this type of project is extremely difficult to estimate and a preliminary estimate was too conservative.)</td>
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The board was requested to approve the following new projects:

- **Burge Hall - New Exit in Restrooms**
  Source of Funds: Dormitory Bond Improvement Fund
  $ 14,300

- **University Hospital - Install 18 M.E.V. Linear Accelerator**
  Department of Radiology
  Source of Funds: University Hospital Building Usage Fund
  $ 48,150

- **Parking Lot No. 3 Renovation**
  Source of Funds: Parking Operations Revenue
  $ 45,500

- **Currier Hall Lounge Renovation**
  Source of Funds: Dormitory Bond Improvement Fund
  $ 86,000
Old Armory Fire Safety Improvements  $ 58,800  
Source of Funds: University RR&A  

University Hospitals - Post Anesthesia Care Unit Expansion  $ 255,855  
Source of Funds: University Hospital Building Usage Fund  

MOTION: Mr. Bailey moved the actions reported in the Register of Capital Improvement Business Transactions be ratified and approved and authorized the executive secretary to sign all necessary documents. Mr. Zumbach seconded the motion.  

Regent Baldridge asked for clarification regarding irregularities. Mr. McMurray reported that the irregularities described under Form B are what the Board Office classified as unusual circumstances due to internal bidding procedures at the institution and are not actually irregularities that affect the bidder. He went on to say there are two primary irregularities or unusual circumstances in Form B awards on this particular docket. First, the construction budget for a particular project is exceeded in the award of contract recommended to the Board Office. The bidder would not be involved if money could be added from contingency funds. A second irregularity calls for further checking on the part of the Board Office. That is when a single bid is received on a project and the Board Office checks to see that there are not proprietary specifications involved and why. He said this does not affect the bidder. If it is found that there were proprietary specifications involved, it would go into a contract award recommended to the board for action. There would be ample time for bidders to make appeals. Mr. Richey added that when a single bid is received, the Board Office also checks to see how those bids were circulated.  

VOTE ON MOTION: The motion passed unanimously.  

JOHN F. MURRAY FUND - REQUEST FOR INCREASE IN FEE FOR ADVISORY SERVICE.  
The board was requested to approve a fee increase for advisory service for the John F. Murray Fund.  
The university reported that the Merchants National Bank has requested an increase, effective for the quarter ending June 30, 1976, in the fee for service as advisor for the John F. Murray Fund. The proposed change would correspond to Merchants National Bank's standard fee schedule for service of this type.  
The university said that the annual fee would be $4,132. A reduction of $500 would be allowed because of the limited accounting required by Merchants National Bank leaving a net proposed annual fee rate of $3,632 for 1976. The fee would be adjusted annually according to the changes in the portfolio market values on December 31 each year.  
The fee adjustment appeared to be quite appropriate for the following reasons:
1. The current $1,000 fee has not changed since 1966 when the agreement was originally entered into.

2. After receiving this request, discussions were held with Merchants National Bank, and it was agreed that Merchants National will evaluate the John F. Murray Fund portfolio on a continuous basis rather than on each June 30 and December 31 and make more timely recommendations.

3. Merchants National Bank has, at no extra cost, provided service to the university on various stock transactions in funds other than the John F. Murray Fund. This service includes such features as selling stock rights and assisting in transferring titles to the university on securities received in gifts and bequests. These and similar services will continue.

MOTION: Mr. Shaw moved the board approve the fee increase for advisory service for the John F. Murray Fund. Mr. Slife seconded the motion.

Regent Bailey raised some concerns as to whether the increase is valid. Regent Shaw said he believes the difference between what the board has been paying and what it will be paying now has particular advantages. He noted item "3" above.

Regent Barber asked how the fee compares with other institutions' fees. Vice President Jolliffe said he has not checked the rates for other institutions. Assistant Dean Edward Jennings commented a standard fee is being proposed.

Regent Bailey asked what the university does with other funds. Vice President Jolliffe said other university funds do not have the freedom of investment that there is in the John F. Murray Fund. He said the other funds are handled by the university itself.

Regent Bailey said he was not sure to what extent the bank has expertise to handle this type of investment as opposed to a professional group. Regent Barber responded that Merchants National Bank has an excellent reputation in the trust area.

Regent Bailey requested that the university check with the foundation to see what rates it is paying in this respect. President Boyd said that will be done.

VOTE ON MOTION: The roll call vote was as follows:
AYE: Bailey, Baldridge, Barber, Brownlee, Collison, Shaw, Slife, Zumbach, Petersen.
NAY: None.
ABSENT: None.
The motion carried.

TENANT PROPERTY RENTALS. The board was requested to approve tenant property rental rates as proposed by the State University of Iowa for the year September 1, 1976 through August 31, 1977.
The university reported that rental rates are based on rental rates for comparable facilities in the community. Exceptions to this policy are the rates for preschool and day care centers where rates are intended to cover only average repair and maintenance costs. Monthly rate increases for next year were summarized as follows: $10--3; $20--4; $25--1; $30--2; $40--1; $45--1; $50--1 (for residences) and $50 rate increase for one apartment. The following changes in tenant property facilities were made since July 1, 1975:

Delete: 223 Melrose as day care center
Add: 223 - Melrose - duplexed
30 W. Harrison - duplexed

The Board Office reported the increases will result in an annualized increase in income of $4,560.

Regent Collison asked if the day care center being deleted is the only day care center that the university has subsidized right now. President Boyd responded that there are several preschool and day care centers the university is subsidizing. A complete listing of same was shown in the docket material submitted by the university.

MOTION: Mr. Bailey moved the board approve the tenant property rentals for the University of Iowa for the year September 1, 1976 through August 31, 1977. Mrs. Collison seconded the motion and on roll call the following voted:
AYE: Bailey, Baldridge, Barber, Brownlee, Collison, Shaw, Slife, Zumbach, Petersen.
NAY: None.
ABSENT: None.
The motion carried.

HOSPITAL PARKING RAMP NO. 2. The board was requested to: 1) adopt a resolution designating the present parking facilities of the University of Iowa as a self-liquidating facility; 2) adopt a resolution approving an agreement between the Iowa-Des Moines National Bank and the State Board of Regents; and 3) approve a promissory note set forth in the material presented the board.

MOTION: Member Collison submitted and moved the adoption of the following resolution designating the present parking facilities at the University of Iowa as a self-liquidating facility:
BE IT HEREBY RESOLVED that the entire parking system at the University of Iowa at Iowa City, consisting of all of its parking lots, ramps, storage lots, and facilities serving the same, now existing as shown on the attached plat, are hereby determined to be suitable as a self-liquidating and revenue producing facility deemed necessary for the comfort, convenience and welfare of the students, faculty and visitors, and suitable for the purposes for which the
MOTION:

University of Iowa was established, and all of said parking lots, ramps and facilities are hereby set aside and designated as a self-liquidating facility within the provisions of Sections 262.44 to 262.54 inclusive, for the purpose of qualifying said parking facilities for the new hospital parking ramp and other improvements and additions thereon, and financing the same as provided in said laws of Iowa. The motion was seconded by Mr. Bailey and put to a vote and duly passed. The president declared the resolution adopted and ordered it certified.

Mr. Baldridge submitted the following resolution regarding the University of Iowa Parking Facility Loan Agreement, and moved its adoption: RESOLVED that the University of Iowa Hospital Parking Facility Loan Agreement by and between Iowa-Des Moines National Bank and the State Board of Regents, be approved and adopted; and BE IT FURTHER RESOLVED that the president and the executive secretary of the Board of Regents be, and they are, hereby authorized, and directed to execute said the University of Iowa Hospital Parking Facility Loan Agreement and deliver the same, in any number of duly executed counterparts, as the valid obligation of this board; and that the promissory note or notes and any and all other instruments or actions necessary or proper to evidence and carry out the terms of said the University of Iowa Hospital Parking Facility Loan Agreement may be executed and taken care of by

the following:

Mary Louise Petersen, President;
R. Wayne Richey, Executive Secretary;
and any action taken or document executed as herein provided shall be the valid obligation of this board; and
BE IT FURTHER RESOLVED that the executive secretary or any person designated by the executive secretary be authorized to certify copies of this resolution to whom it may concern.
The motion was seconded by Mrs. Collison and put to a vote and duly passed. The president declared the resolution adopted and ordered it certified.

MOTION:

Mr. Bailey moved the board approve the promissory note immediately following this motion and Mrs. Collison seconded the motion. The motion passed unanimously.
PROMISSORY NOTE

$1,400,000.00

The STATE BOARD OF REGENTS, for value received, promises to pay to the order of IOWA-DES MOINES NATIONAL BANK, at its office in Des Moines, Iowa, the principal sum of One Million Four Hundred Thousand No/100 Dollars ($1,400,000.00), with interest (computed on the basis of a year of 365 days) at the rate of six per cent (6%) per annum, in lawful money of the United States of America, in one hundred eight (108) equal monthly instalments of Sixteen Thousand Eight Hundred Nine and No/100 Dollars ($16,809.00) each, the first of which is due and payable on July 1, 1977, and a like instalment being due and payable on the first day of each month thereafter, to and including June 1, 1986, when all unpaid principal and interest shall be due and payable, said payments to be applied first to interest, with the balance to principal.

This note is issued and delivered under provisions of the Code of Iowa, 1975, chapter 262, for construction of parking facilities at The University of Iowa, and under and pursuant to a certain written loan agreement dated 1976, made and entered into by and between IOWA-DES MOINES NATIONAL BANK of Des Moines, Iowa, and the undersigned STATE BOARD OF REGENTS, to which loan agreement reference is hereby made for a statement of the terms and conditions upon which this note may be prepaid and its maturity accelerated.

STATE BOARD OF REGENTS

By ____________________________ President

By ____________________________ Executive Secretary

REVISION OF THE ANNUAL BUDGET FOR THE DORMITORY AND DINING SERVICES SYSTEM.

The board was requested to approve proposed revisions to the annual budget for the dormitory and dining services system for 1975-76.

The Board Office reported that provisions of the dormitory bond resolution preclude expenditures which exceed those in the approved dormitory and dining services system budget. Therefore, the University of Iowa requested that the board approve revisions to this budget. The revisions
reflect an increased income of $210,202 and increased expenditures of $65,105, or an increased net revenue of $145,097. This increased revenue is reflected in the revised Cash and Investment Balances portion of the budget as an increase of approximately $149,000 in the surplus fund.

MOTION: Mr. Brownlee moved the board approve proposed revisions to the annual budget for the dormitory and dining services system for 1975-76 for the State University of Iowa. Mr. Bailey seconded the motion.

Regent Bailey commended the university for its good management in the dormitory and dining services system area.

VOTE ON MOTION: The motion passed unanimously.

BUILDINGS TO BE RAZED. The board was requested to approve the razing of Building 56 and Building 65 on the University of Iowa campus.

The Board Office reported that Photo Service Building and attached temporary addition (Building 56) will be vacated during the summer when Photo Service moves to remodeled space in East Hall. Building 65 (3 East Market) will be vacated when the occupant, The Women's Resource and Action Center, moves to a house at 130 North Madison.

The university was commended for continuing to raze obsolete space.

MOTION: Mrs. Collison moved the board approve the razing of Building 56 and Building 65 on the University of Iowa Campus. Mr. Barber seconded the motion and it passed unanimously.

PRELIMINARY BUDGETS FOR 1976-77. The board was requested to approve the preliminary budgets for the State University of Iowa for 1976-77 as follows:

- General Educational Fund $86,155,100
- University Hospital 53,801,800
- Psychopathic Hospital 4,464,200
- State Hygienic Laboratory 1,666,500
- Hospital School 2,474,800
- Oakdale Campus 2,992,400

The Board Office reported that funding and some of the budget matters differ among the various organizational units and therefore each was treated separately in the narrative presented the board. It was noted, however, that fuel and purchased electricity, equipment and repairs, replacements and alterations are treated identically in all organizational units and in accordance with the policy on which the appropriation bill calculations were performed. Salary increases for all salary categories are planned to be provided according to the requirements set forth in the appropriations act and the Regents Pay Plan. Faculty and institutional officials' salaries are to be increased from the 8% increase in funding on a merit
basis, as applied to each faculty member. The professional and scientific staff and the general service staff will be provided with the 5% mandatory cost-of-living increase and a merit step increase as appropriate. Any merit employees whose salaries exceed the pay plan will be provided with an increase of one-half the 5% cost of living adjustment. The institution provided information on the number of employees in each new position for which special needs funding or enrollment cost increase funding is provided for each of the organizational units, as applicable.

The Board Office reported that the funding for general education consists of $22,527,000 of institutional income, the appropriations as enacted and $1,696,800 of federal funds in 1975-76 which continue into 1976-77. The institutional income consists of $17,588,000 of student fees and $61,000 of sales and services, which is in accordance with the original plan. The other income, on the other hand, has been increased by $700,000 to $4,878,000. The board was reminded that at its May meeting the university obtained approval for a budget increase of $500,000 for unexpected indirect cost recovery which amounts to about 0.7% of the operating budget to be used for nonrecurring items. The proposed preliminary budget showed an increase in indirect cost recovery of $200,000 over that now experienced for 1975-76. Even though the indirect cost rate is reduced by about 2.5%, the income from indirect cost recovery is expected to increase on the basis of increased income from federal grants.

The indirect cost recovery for 1976-77 was underestimated by $700,000 and, consequently, the appropriations for 1976-77 were overstated in the budget request. It was recommended that this excess income and consequent increase in budget be given appropriate consideration in arriving at the budget requests for the 1977-79 biennium.

Mr. Richey commented that Mr. Edward Jennings, Assistant Dean to Vice President for Academic Affairs had presented him with some clarifying information regarding indirect cost rates and the difference between the budget estimate and the revised estimate for 1976-77. Mr. Richey said the information contained suggestions and recommendations for a different type of handling of these that might eliminate some of the problems involved. Mr. Richey suggested that this be taken up by the business officers' committee and the Budget Committee in terms of developing a standard policy interinstitutionally in preparation of the budget request for the next biennium. President Boyd said the university would be glad to cooperate in that regard. President Boyd said the university does not want, in any way, to create inequity among the institutions. He said the indirect cost situation is a matter of concern with the faculty because it is, in essence, entrepreneurship on its part.

Mr. Jennings said the monies that increase the budget are monies associated with the university's grants and contracts program. The research projects are primarily funded by the federal government. He said auditing procedures by the federal government are attempting to determine whether these reimbursements represent real costs to the institution that the government should pay for. He commented that this spring the audit for the indirect cost was settled for the past five years. The audit for the direct cost is yet to be settled. He said some $2 million is being questioned in that direct cost audit. These monies come into the general fund as revenues, but as associated with the audit, they are associated with particular expense with the grants and contracts program. At the State University of Iowa and
in the state of Iowa the direct cost portion is budgeted outside of the general fund in the current restricted accounts whereas indirect costs are budgeted in the general fund. In most states the indirect cost, like the direct, is budgeted outside the general fund. The association with the appropriation is that over time the appropriations do go down as a result of these indirect cost corrections.

Mr. Jennings stated that in last year's preliminary budget there was a similar item, an increase in income for $600,000. That item, in preparing the budgets for the next year, was included in the income base and the appropriation did not have to take care of that $600,000. He said that if we were to reduce the appropriation at this time he would like to go through some examples of things that might happen. If, for example, the university were in a situation where there was no increase in indirect cost income either this year or potentially next year, the appropriation would not change. He said the university does not feel when these incomes go up and expenses go up that, as a consequence, the appropriation should then go down. The appropriation should be unchanged. He advised that this income is associated directly with expenses which are associated with the restricted programs.

Mr. Jennings reported that the university also has a major problem with making estimates associated with the amount of income that will go into the general fund associated with these indirect cost expenses. If the university were to make an estimate higher than the $4.7 million in the budget and that estimate turned out to be an overestimate, there would have to be some increase in appropriations during the year to take care of those expenses that have been committed or there would have to be a reduction in expenses. Mr. Jennings said the university feels it is appropriate to be conservative in its estimates and not commit expenses until money is in hand and available. Typically, there is a one year lag associated with these expenses that in the coming fiscal year the $4.7 million will be associated with expenses with the program. This problem has been discussed internally and with the State Comptroller and what the university has suggested as a possible way of handling this situation is to set an agreed upon level of indirect cost income that would go into the budget. Any overages associated with that indirect cost income would go into a reserve account to take care of any potential losses associated with those programs. When that agreed upon level is reached, any overages would be used for nonrecurring items. The university would have a reasonably fixed income account a reserve, to take care of the risks of a reduction.

Mr. Jennings said two things have to be decided: 1) the level of that reserve, and 2) the amount of indirect cost income that should show up in the general fund budget. He concurred with Mr. Richey's recommendation that this matter be brought up to the Business Committee as to their opinion on an appropriate route to take. He noted that the State Comptroller agrees that that would be a good management practice. President Petersen said that route would still not interfere with entrepreneurship. President Boyd said the question of getting Iowa's fair share of federal taxes Iowan's pay must also be taken into account.
Discussion then turned to the University Hospital budget. It was noted that the board reviewed the budget for the University Hospital in January and May of 1976 and approved budget increases. These budget increases occurring during the year have to be annualized for 1976-77. In addition, the special needs which annualizes the operation of the North Tower for the last six months of 1975-76 and provides 191 new positions is supported by appropriations for special needs. The university requested an 11.5% rate increase to be effective July 1, 1976. The Board Office reported that the institution projects a reduction in the proportion of state appropriation funding to total budget based on the indigent patient census on patient days remaining about the same and paying patient days increasing by about 4%. It is important that the ratio of indigent patient census to total patient census be properly applied to the budgets and budget request in order that appropriations are kept in line with private patient income so that the rates for health services may be applied equally to both indigent and private patients.

The Board Office noted that the university proposed to fund the entire requested increase in staffing to improve the ratio of staff to occupied beds, although only about half of it was funded in the budget approved by the Governor and legislature. The Board Office asked about the validity of the budget estimates presented in the legislative request if the income estimates are substantially understated. In response, Mr. Jennings said the university requests that other estimated income be construed as an overestimate. In the original legislative asking the university had an estimated income of some $38.4 million. Due to some changes in the University Hospital in January and May, budget ceiling increases of $2.6 million were obtained. There were increased numbers of private patients with a total income of $41 million in 1976-77 based on legislative askings of 15% increased rate and increased census. He said the income for this budget is $39.5 million and the difference between $39.5 million and $41 million is a result of a proposed rate increase of only 11% as contrasted to an estimated 15% increase last January. In other words, the university has cut the increase fee from 15% in January to 11% now. The 11% increase will maintain the very low rate structure the university has in comparison to comparable medical institutions in the United States.

Mr. Jennings reported that the Medicare/Medicaid situation is very uncertain at this time with some potential losses associated with that program.

Mr. Richey reported that the Board Office had recommended $300,000 to $400,000 be appropriated to the University of Iowa Hospitals to help finance a needed increase in staffing. Mr. Richey said that $200,000 of that request was granted. He added he feels that the board is going to have to revise its budgeting methods for University Hospitals in regard to legislative requests because they are so different from other institutional requests. He said the University of Iowa Hospitals provide a different type of service and have little control over the cost of providing that service.

The Board Office reported that the preliminary budget proposed for the Psychopathic Hospital and the tuberculosis and alcoholism patient care
program at Oakdale are based on rate increases of 10% effective July 1, 1976. It was proposed that the rates be increased from $80 to $88 for psychiatric general service care, from $49.50 to $54.50 per diem for alcoholism treatment unit and $47.25 to $52.00 for tuberculosis care.

The Hospital School budget as proposed is identical in all respects for both expenditure items and funding items with that based on the policies utilized for calculation of the appropriations bill.

The proposed preliminary budget for 1976-77 was identical with that calculated on the basis of the appropriations bill for the Oakdale Campus.

The institution proposed that the estimate of other institutional income be increased by $19,000 over that proposed in the original budget request for the State Hygienic Laboratory. All of these funds would be expended for general expense. The additional funds would be derived from the increased fee schedule for water and waste water analysis previously approved by the Board of Regents.

Regent Bailey asked about the memorandum presented to the board by the Board Office where it said, "The professional and scientific staff and the general service staff will be provided with the 5% mandatory cost of living increase and a merit step increase as appropriate." He said he understands that the amount appropriated for merit increases for next year was 3% for merit system employees. He asked how the board could make 3% accomplish what 5% would accomplish. Mr. Richey said the money is going to be extremely tight and will have to be handled from salary savings. He said that will have to be taken into consideration along with the board's requests next year. He said the average merit increase will be about 4.1%.

President Petersen said that since no objections were raised the proposal for the federal reimbursement procedure would be presented to the Business Committee.

**MOTION:**

Mr. Baldridge moved the board approve the preliminary budgets for 1976-77 for the State University of Iowa as follows:

- General Educational Fund $86,155,100
- University Hospital 53,801,800
- Psychopathic Hospital 4,464,200
- State Hygienic Laboratory 1,666,500
- Hospital School 2,474,800
- Oakdale Campus 2,992,400

Mr. Baldridge also moved that the rate increases proposed by the university for the University Hospital, Psychopathic Hospital and Oakdale Campus be approved. Mrs. Collison seconded the motion and it passed unanimously.

President Petersen asked board members and institutional executives if there were additional matters to be discussed pertaining to the University of Iowa. There were no additional matters brought up for discussion.
The following business pertaining to Iowa State University was transacted on Thursday, June 10, 1976.

REGISTER OF PERSONNEL CHANGES. The following appointment was brought to the attention of the board for approval on the Register of Personnel Changes for the month of May 1976:

Everett Swagert, university architect, effective May 1, 1976 at $25,000 per year.

In absence of objections, President Petersen approved the Register of Personnel Changes for Iowa State University for the month of May 1976.

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

Jon Sontag as professor and chairman of the Department of Applied Art. The appointment as chairman is to be effective for the period of August 1, 1976 through June 30, 1979. Salary at $30,000 per year, 12 months' basis, plus fringe benefits.

The following supplemental appointments were recommended for board approval:

Gerald E. Klonglan as acting chairman of the Department of Sociology and Anthropology effective July 1, 1976, to serve until a chairman has been designated. Salary as budgeted 1976-77.


MOTION: Mrs. Collison moved the board approve the appointments as shown above. Mr. Barber seconded the motion and it passed unanimously.

RESIGNATIONS. The board was requested to approve the following resignation:

Clair B. Watson as head of the Department of Applied Art, College of Home Economics, effective July 31, 1976. He has served as head of the department since July 1, 1969. Professor Watson will continue to serve as professor in the department.

The following supplemental resignations were presented for approval:
George M. Beal as chairman of the Department of Sociology and Anthropology, effective June 30, 1976. Professor Beal will remain at Iowa State University as professor of Sociology and Charles F. Curtiss Distinguished Professor in Agriculture.

Elmer D. Klemke as associate dean of the College of Sciences and Humanities, effective June 30, 1976. Dr. Klemke will remain at Iowa State University as professor in the Department of Philosophy.

MOTION: Mr. Bailey moved the board accept the resignations shown above. Mrs. Collison seconded the motion and it passed unanimously.

ANNUAL REPORT ON THE OPERATION OF TENURE POLICIES. The board was requested to accept the report of Iowa State University on the operation of its tenure policies.

The Board Office reported that Iowa State University has been operating under a revised tenure policy since the beginning of the 1974-75 academic year. The report outlines the significant changes made in the former policy by this revision and attributes certain subsequent developments with respect to its faculty staffing patterns to the first several years of operation under the revised policy. Sixty-seven percent of the faculty at Iowa State University currently hold tenure. This percentage increase is attributed to certain one-time-only effects of the new tenure policy. Because of changes in the tenure status of part-time faculty and because of revised procedures in maintaining academic files, the number of faculty at Iowa State showed a decline between last year and this year, while the actual number of tenured faculty increased. This resulted in the rather sharp increase in the percentage of tenured faculty. It will take at least one additional year to determine whether the increase in the percent of faculty holding tenure was due to these administrative changes, or whether the increase has resulted from a combination of a low rate of faculty turnover, plus a somewhat high rate of awarding tenure. It was noted by the Board Office that a tenured percentage of 67% exceeds the range that the Keast Commission felt was wise for institutions to be within. In absence of objections, President Petersen accepted the report on behalf of the board.

APPOINTMENTS. The board was requested to approve the following reappointments:

Bernard O. Randol, controller, to be university secretary for the fiscal year beginning July 1, 1976.

Warren R. Madden, Assistant Vice President for Business and Finance, to be university treasurer for the fiscal year beginning July 1, 1976.
MOTION: Mr. Brownlee moved the board approve the reappointments of Bernard O. Randol and Warren K. Madden at Iowa State University as shown above. Mr. Zumbach seconded the motion and it passed unanimously.

SECURITY PERSONNEL - DESIGNATION AS PERMANENT OR TEMPORARY SPECIAL SECURITY OFFICERS. The board was requested to approve the following as special security personnel:

Gerald Paul Bearden and David P. Lilland as special security officers and Guy M. Scott as a temporary security officer.

MOTION: Mr. Baldridge moved the board approve the commissioning of Gerald Paul Bearden and David P. Lilland as special security officers and approved the designation of Guy M. Scott as a temporary security officer. Mrs. Collison seconded the motion and it passed unanimously.

REQUEST FOR INCREASE IN THE VOLUNTARY STUDENT HEALTH SERVICE FEE. The board was requested to approve an increase in the voluntary fee for the student health service requested by Iowa State University.

The Board Office stated that in June of 1974 the board approved the voluntary student health fee to supplement general university support for the student health service at Iowa State University. The amount of this voluntary fee was set at $5 per quarter and $2.50 per summer session. The university currently estimates that at the present level of support from the general fund and with the $5 per quarter fee charge the health service will operate at an $83,000 deficit next year. Therefore, the university requested that the present fees be raised to $7.50 per quarter and $3.75 per summer session. This increase in the voluntary fees will generate the necessary income to balance the student health service budget. It was noted that this request had the support of both the student health committee and the student body government.

MOTION: Mr. Bailey moved the board approve the increase in the voluntary fee for the student health service requested by Iowa State University. Mrs. Collison seconded the motion.

Regent Collison asked if students are satisfied or dissatisfied with the proposed increase. President Parks said he couldn't answer that but said that the student health service provides excellent service for students. He said he feels that the relationship between the student health committee and the student health service is a great deal better than it was in the past.
Regent Collison said she has no reservations about the proposed student health fee but she voiced a related concern that she hopes the student health service is emphasizing pre-cancer screening.

VOTE ON MOTION: The motion passed unanimously.

VETERINARY MEDICINE FACILITIES - MOVING EXPENSES. The board was requested to authorize an additional amount of $81,700 from the unencumbered balance of the $317,000 reserve for opening the new Veterinary Medicine facilities for the specific purposes as set forth in the material presented the board by the university.

The Board Office reported that the university finds additional requirements associated with installation of new and relocated equipment. The items presented the board related to moving into the new facilities, custodial care and security:

1. Relocating of existing x-ray equipment by manufacturer's field engineers $10,800
2. Installation of intercoms and PA systems in five departments $16,200
3. Installation of closed circuit television system $23,000
4. Start-up and adjustment of central control system $10,000
   Subtotal $60,000

   Additional Items
5. Plant maintenance equipment and supplies $7,700
6. Custodial - equipment and supplies $6,300
7. Final keying adjustments $7,700
   Subtotal $21,700

   TOTAL $81,700

It was noted that Iowa State University also finds a need for additional items which would cost $55,400 including a purchase of 25,000 fluorescent tubes, miscellaneous general expense items and site clean-up which should have been budgeted initially for occupancy of the building or should be derived from general operations funds. A list of items to comply with current health and safety standards and handicapped accessibility standards was included in the university material presented the board which would cost $125,000. The Board Office commented it would seem that those needs are similar to those which prevail to a more or less degree throughout the campus and should not be considered for expenditure from the $317,000 reserve fund. These items should take their rightful place in priority with many other requirements on the campus.

MOTION: Mr. Baldridge moved the board authorize an additional amount of $81,700 from the unencumbered balance of the $317,000 reserve for opening the new Veterinary Medicine facilities for the specific purposes (nos. 1-7) shown above. Mr. Barber seconded the motion and it passed unanimously.
LAND TRANSACTION - CORRECTION OF LEGAL DESCRIPTION CONTAINED IN PREVIOUS LAND TRANSACTION INVOLVING ERBEN A. HUNZIKER, ET AL. The board was requested to approve a resolution to complete the transactions necessary to correct the legal description of real estate previously transferred to Iowa State University.

MOTION: Mr. Brownlee moved the board approve a resolution to complete the transactions necessary to correct the legal description of real estate previously transferred to Iowa State University. Mr. Slife seconded the motion and on roll call the following voted:

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

NAY: None.

ABSENT: None.

The motion passed.

LAND TRANSFER - SALE OF PARCEL ON ONTARIO ROAD. The board was requested to approve a resolution to complete the sale of real estate on Ontario Road, Ames, Iowa. A revised resolution was presented to the board dated June 3, 1976 which indicated no substantive change from the one dated June 2, 1976 but simply better described the transaction.

MOTION: Mrs. Collison moved the board approve a resolution dated June 3, 1976 to complete the sale of real estate on Ontario Road, Ames, Iowa. Mr. Bailey seconded the motion.

Regent Baldridge asked what happens to the money when land is sold. Mr. Richey commented that the money goes into the state holding account and can be used for other capital improvements if the property were originally acquired from state funds. He added that money, when other than state funds, goes into the restricted account of the individual university.

VOTE ON MOTION: On roll call the following voted:

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

NAY: None.

ABSENT: None.

The motion carried.

PRELIMINARY BUDGET FOR 1976-77. The board was requested to approve the preliminary budgets for 1976-77 for Iowa State University in the amounts of $71,927,000 for the General University, $7,889,000 for the Experiment Station and $9,273,000 for the Cooperative Extension Service.

The Board Office reported that the preliminary budget proposals for all three organizational units follow the policies utilized in arriving at the appropriations bill calculations. The proposed 1976-77 preliminary budgets for the Experiment Station and the Cooperative Extension Service are identical to the appropriations bill calculations in all respects because there are no special needs or other adjustments to allocate. The incomes for the
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General University were as previously estimated. It was noted that the additional federal funds losses which are anticipated for 1976-77 in the amount of $979,000 were shown in the preliminary budget statement but were not included in the total budget proposed for developing the final line budget. The federal funds income includes about $200,000 for programs which are included also in the federal funds losses for 1976-77 of $979,000 and would be replaced in the event of loss.

The Board Office noted that no change in tuition income is anticipated relative to the original budget request. The enrollment is estimated to be 22,021 students in the fall of 1976 as previously estimated. Regent Zumbach asked how the enrollment growth allocation relates to growth in relation to delivery of classes, course structures, student ratios, etc. Vice President Christensen responded by saying the allocation does not come very close to the needs experienced in that area. He said the university has put all the enrollment increase money into the classroom and for teachers rather than into administration accounts.

Regent Collison asked Vice President Christensen how temporary appointees are evaluated with respect to the budget. Vice President Christensen commented that the process depends to some degree on the lead time as to whether money can be reallocated to that area.

Regent Baldridge raised a question involving fire loss and equipment. He commented about the spectrometer loss at Iowa State and Assistant Vice President Madden noted that about $20,000 is being referred to in connection with that loss. He said there will be dialogue with representatives of the State Auditor's Office and the State Executive Council on that loss. Assistant Vice President Madden commented that a factor in determining fire loss is that obsolescence of equipment prompts replacement of the more current equipment versions. Regent Baldridge recommended the board be granted permission to carry some type of insurance regarding fire losses.

MOTION: Mrs. Collison moved the board approve the preliminary budgets for 1976-77 for Iowa State University in the amounts of $71,927,000 for the General University, $7,889,000 for the Experiment Station and $9,273,000 for the Cooperative Extension Service. Mr. Brownlee seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the period of May 14 through June 10, 1976 had been received by him, was in order, and recommended approval. The board was requested to approve the register; approve the Turbine Generator #3 and Auxiliary Equipment Project; and approve a contract for engineering services on that project with Brown Engineering Company, Des Moines, Iowa.

The following construction contract was awarded by the executive secretary and reported for ratification:
The following revised or amended project budgets were presented to the board:

**Iowa State Center Fieldhouse--Auditorium**
A budget revision upwards of $104,000 to a new total of $8,406,000 was presented for approval. This budget represents all changes made on that project since the previous project budget was approved in June of 1971. Iowa State University noted that the project will not be final-reported until the recent additions are completed and the location of the exterior ice program is determined. The latter matter still is under study.

**Steam Generator #4 and Auxiliary Equipment**
This budget represented an update of all contracts awarded and material purchased to date. There are still some contracts for material purchases to be made. The project is funded by a line-item appropriation of $2.5 million from the 1974 session and by a $299,000 tentative allocation of 1975 capital appropriations.

The following new project was presented for approval:

**Residence Hall Parking Lot Addition**
Source of Funds: Residence Halls Parking Funds $44,000

The second action recommended involved Turbine Generator #3 and Auxiliary Equipment. The board was requested to approve the project and approve a contract for engineering services with Brown Engineering Company, Des Moines, Iowa. This is a $3,495,000 project which involved the replacement of an old turbine generator in the present university heating plant. The new generator would replace a 1500 KW unit with a 10000 KW straight condensing unit. It is anticipated that the university would bring forth a contract award recommendation for approval at the September meeting on the turbine generator itself. The university has within the recent past completed installation of a similar turbine and would follow the same procedures used in contracting for installation of that generator.

The contract for engineering services proposes a maximum cost for engineering design services equal to 6% of the cost of construction. That cost of construction is estimated to be $3,200,000 which would amount to a fee ceiling of $192,000. The university indicated this cost level is in line with the minimum fee schedule recommended by the Iowa Engineering Society. The university also indicated that Brown Engineering Company has previously provided such services on two turbine generator sets at the university and feels that it is appropriate that this firm should continue to be utilized for the design and development of further heating plant expansions, such as this one.

Mr. McMurray reported that the Seed Laboratory bids were scheduled to be on this month's register but last month problems came up in another agency's review of plans and specifications so that bid opening was delayed until
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June 29th. He said that hopefully the project will be on the Register of Capital Improvement Business Transactions next month.

MOTION: Mr. Slife moved the board approve the actions reported in the Register of Capital Improvement Business Transactions for the period of May 14 through June 10, 1976 and authorized the executive secretary to sign all necessary documents; moved the board approve the Turbine Generator #3 and Auxiliary Equipment Project; and moved the board approve a contract for engineering services on that project with Brown Engineering Company, Des Moines, Iowa. Mr. Zumbach seconded the motion and it passed unanimously.

President Petersen asked board members and institutional executives if there were additional matters to be discussed under the Iowa State University portion of the docket.

NAMING OF A BUILDING. Vice President Hamilton reported that yesterday a gentleman appeared outside of the board's meeting room with signs he requested be shown to the Board of Regents. Vice President Hamilton reported that the gentleman appeared at the time the board was entering executive session and he informed the gentleman that he would bring the matter to the board's attention today. He reported that the signs were available for board members to view. He said the signs indicated a desire to name the new stadium at Iowa State University after Jack Trice.

President Parks commented that as far as he is concerned the recommendation he made to the board last month regarding the stadium's name is still before the board for whenever it would like to act on it.
The following business pertaining to the University of Northern Iowa was transacted on Thursday, June 10, 1976.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of May 1976 were ratified by the board.

CURRICULUM ITEMS. The board was requested to refer curriculum recommendations of the University of Northern Iowa to the Interinstitutional Committee on Educational Coordination for consideration.

MOTION: Mr. Barber moved the board refer curriculum recommendations of the University of Northern Iowa to the Interinstitutional Committee on Educational Coordination for consideration. Mr. Bailey seconded the motion.

President Kamerick reported that the curriculum recommendations have been accepted by the Coordinating Council for Post High School Education.

VOTE ON MOTION: The motion passed unanimously.

ANNUAL REPORT ON THE OPERATION OF TENURE POLICIES, 1975-76. The board was requested to accept the report of the University of Northern Iowa on the operation of its tenure policies.

The Board Office reminded members of the board that a new tenure policy was submitted by the University of Northern Iowa in April for the board's approval and this was approved with only a minor change. The policy appears to be an excellent example of cooperative work between the faculty and administration and should contribute substantially toward solving some of the problems which the university faced in its faculty staffing patterns several years ago. Two instruments which are used in the evaluation of faculty performance at the university were contained in the report. If utilized to their fullest potential, these two instruments appear to be excellent means for the evaluation of faculty both on an annual basis and at those times when a faculty member's future employment status is under consideration.

MOTION: Mr. Baldridge moved the board accept the report of the University of Northern Iowa on the operation of its tenure policies. Mr. Bailey seconded the motion and it passed unanimously.

APPOINTMENTS. The board was requested to approve the following appointments:
David R. Duncan, professor of Mathematics, to become head of the Department of Mathematics effective the fall semester 1976 at a salary to be budgeted for the fiscal year 1976-77.

Joseph Ruffo as head of the Department of Art, effective fall semester 1976. The salary will be budgeted for the fiscal year 1976-77.

James C. Canada as head of the Department of Home Economics, effective fall semester 1976. The salary will be budgeted for fiscal year 1976-77.

Jan Robbins as head of the Department of English Language and Literature, effective fall semester 1976. The salary will be budgeted for the fiscal year 1976-77.

Gary Shontz, chief accountant, as the university secretary for 1976-77 fiscal year.

James Bailey, assistant business manager, as university treasurer for the 1976-77 fiscal year (reappointment).

MOTION: Mr. Slife moved the board approve the appointments as shown above. Mr. Zumbach seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the period of May 8 through June 4, 1976 had been received by him, was in order, and recommended approval.

The only item which was reported to the board was a revised project budget:

**Speech/Art Building - Phase I**

**Source of funds:**

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriation - 65th G.A.</td>
<td>$3,794,000</td>
</tr>
<tr>
<td>65th G. A. Utility Connections</td>
<td>57,000</td>
</tr>
<tr>
<td>Interest earnings on Treasurer's Temporary Investments</td>
<td>300,000</td>
</tr>
<tr>
<td>66th G. A. Supplemental Construction</td>
<td>990,000</td>
</tr>
<tr>
<td>66th G. A. Movable Equipment</td>
<td>575,000</td>
</tr>
<tr>
<td>66th G. A. Project Restoration</td>
<td>1,380,000</td>
</tr>
<tr>
<td></td>
<td>$7,096,000</td>
</tr>
</tbody>
</table>
Estimated Expenditures:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Contracts</td>
<td>$6,171,153</td>
</tr>
<tr>
<td>Less Tax Credit</td>
<td>74,000</td>
</tr>
<tr>
<td>Architect's Fee</td>
<td>250,000</td>
</tr>
<tr>
<td>Project Inspector</td>
<td>35,000</td>
</tr>
<tr>
<td>Landscaping</td>
<td>20,000</td>
</tr>
<tr>
<td>Movable Equipment</td>
<td>575,000</td>
</tr>
<tr>
<td>Physical Plant Work</td>
<td>20,000</td>
</tr>
<tr>
<td>Art Work</td>
<td>15,000</td>
</tr>
<tr>
<td>Moving Expense</td>
<td>15,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>68,847</td>
</tr>
<tr>
<td><strong>Total Estimated Expenditures:</strong></td>
<td><strong>$7,096,000</strong></td>
</tr>
</tbody>
</table>

The $1,380,000 allocation to this project permits construction and equipping as originally planned and intended.

**MOTION:**
Mr. Bailey moved the Register of Capital Improvement Business Transactions for the period of May 8 through June 4, 1976 be approved and authorized the executive secretary to sign all necessary documents. Mr. Baldridge seconded the motion and it passed unanimously.

**TENANT PROPERTY RENTALS.** The board was requested to approve the schedule of tenant property rentals as submitted by the University of Northern Iowa which follows:

<table>
<thead>
<tr>
<th>Property</th>
<th>Tenant</th>
<th>Monthly Rental</th>
<th>Increase *</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Rownd Farmhouse</td>
<td>J.J. Schurman</td>
<td>$65.00</td>
<td>$5.00</td>
</tr>
<tr>
<td>2. 1223 West 22nd Street</td>
<td>L. Jernigan</td>
<td>220.00</td>
<td>20.00</td>
</tr>
<tr>
<td>3. 2218 Campus Street</td>
<td>R. Kramer</td>
<td>150.00</td>
<td>15.00</td>
</tr>
<tr>
<td>4. 1227 West 23rd Street</td>
<td>Terry Williams</td>
<td>150.00</td>
<td>15.00</td>
</tr>
<tr>
<td>5. 1227½ West 23rd Street</td>
<td>Cathy Osborn</td>
<td>115.00</td>
<td>11.50</td>
</tr>
<tr>
<td>6. Garage - West 23rd Street</td>
<td>Ken Feldman</td>
<td>6.00</td>
<td></td>
</tr>
<tr>
<td>7. Garage - West 23rd Street</td>
<td>Lance Yeoman</td>
<td>6.00</td>
<td></td>
</tr>
<tr>
<td>8. Garage - West 23rd Street</td>
<td>M. Reckemmer Richter</td>
<td>6.00</td>
<td></td>
</tr>
<tr>
<td>9. Garage - West 23rd Street</td>
<td>Lance Yeoman</td>
<td>6.00</td>
<td></td>
</tr>
<tr>
<td>10. 1215 West 22nd Street</td>
<td>Linda McGuire</td>
<td>135.00</td>
<td>15.00</td>
</tr>
<tr>
<td>11. 1221 West 23rd Street #1</td>
<td>Ruth VerMeer</td>
<td>110.00</td>
<td>10.00</td>
</tr>
<tr>
<td>12. 1221 West 23rd Street #2</td>
<td>Colleen Larson</td>
<td>110.00</td>
<td>10.00</td>
</tr>
<tr>
<td>13. 1221½ West 23rd Street #3</td>
<td></td>
<td>110.00</td>
<td>10.00</td>
</tr>
<tr>
<td>14. 1221½ West 23rd Street #4</td>
<td>Murray Romine</td>
<td>110.00</td>
<td>10.00</td>
</tr>
<tr>
<td>15. Matland House - West 27th Street</td>
<td>K. Wiseman</td>
<td>150.00</td>
<td>15.00</td>
</tr>
</tbody>
</table>

*Last increase was July 1, 1974*
MOTION: Mr. Bailey moved the board approve the schedule of tenant property rentals for 1976-77. Mr. Barber seconded the motion and on roll call the following voted: AYE: Bailey, Baldridge, Barber, Brownlee, Collison, Shaw, Slife, Zumbach, Petersen. NAY: None. ABSENT: None. The motion carried.

FIRE PROTECTION CONTRACT - CITY OF CEDAR FALLS. The board was requested to approve a five-year contract with the city of Cedar Falls for fire protection.

The university reported that its present contract expires June 30, 1976. The contract is the result of several meetings with the mayor of Cedar Falls and an updating of total building areas in Cedar Falls and at the University of Northern Iowa. The university's payment to the city is based on the percentage that the area of university buildings bears to the total area of all buildings in Cedar Falls. Under the new contract the university will pay 16.23% of the annual fire department budget. For 1976-77, this results in a payment of $121,955, which is an increase of only $425 over the 1975-76 payment.

MOTION: Mr. Bailey moved the board approve a five-year contract with the city of Cedar Falls for fire protection for the University of Northern Iowa. Mrs. Collison seconded the motion and it passed unanimously.

REPORT ON COURT DECISION. The board was requested to accept a report on the Marion Christopher equal pay suit decision rendered by the United States District Court in Cedar Rapids directing the action alleging violation of the Equal Pay Act of 1963 of the State of Iowa, the University of Northern Iowa, and the State Board of Regents, be dismissed on the merits.

The university reported that United States District Judge Edward J. McManus on May 24, 1976 ruled that the suit brought against the defendants by Marion Christopher, supervisor, Chemistry Department stockroom, be dismissed on the merits since the plaintiff failed to establish by a preponderance of evidence that she was paid at a lower rate than a male employee "for equal work on jobs the performance of which requires equal skill, effort and responsibility, which are performed under similar working conditions."

MOTION: Mr. Baldridge moved the board accept a report on the Marion Christopher equal pay suit decision rendered by the United States District Court in Cedar Rapids directing the action alleging violation of the Equal Pay Act of 1963 by the State of Iowa, the University of Northern Iowa, and the State Board of Regents, be dismissed on the merits. Mr. Barber seconded the motion and it passed with Mrs. Collison abstaining.
PRELIMINARY BUDGET FOR 1976-77. The board was requested to approve the University of Northern Iowa's preliminary budget in the amount of $27,076,100 for 1976-77 as submitted by the institution.

The Board Office reported that the proposed preliminary budget is based on replacing federal funds losses with state funds in the amount of $29,800 in addition to the appropriations to the institution and institutional income of $5,882,600. The institutional income is as estimated in the budget request. The institution estimated that the budgeted income may be realized on the basis of current admissions information. Additional federal funds losses of $3,900 are anticipated for 1976-77 but are not included in the preliminary operating budget. The federal funds losses of $29,800 which are included in the budget for next year were lost in 1975-76 but included in the budget at $24,000. Consequently, the budget adjustment to provide the level of operations to be included in the 1975-76 base entering the next fiscal year is $5,800.

The Board Office reported that the university informed the Board Office that it contemplates using some of the salary savings for equipment purchases because of the serious need due to enrollment increases and shifts between programs. Mr. Richey stated he feels the institution is exercising good management judgment in applying on a nonrecurring basis a significant amount from salary savings to obtain badly needed equipment to satisfy those needs. The proposed budget is consistent with the policies for the appropriations bill.

MOTION: Mr. Baldridge moved the board approve the preliminary budget in the amount of $27,076,100 for 1976-77 as submitted by the University of Northern Iowa. Mr. Barber seconded the motion.

Mr. Richey commented that the university did not include a listing of new positions and the number of personnel budgeted for each with its preliminary budget. Vice President Stansbury reported that information will be detailed in the university's line-budget explanation.

VOTE ON MOTION: The motion passed unanimously.

HILLSIDE COURTS ACCESS ROAD DESIGN AGREEMENT. The board was requested to approve a design agreement with the firm of Brice, Petrides and Associates, Inc. of Waterloo, Iowa for a preliminary study and report on the Hillside Courts Access Road.

The Board Office reported that the current approved institutional road program for the Board of Regents includes in three segments a major new road and bridge connecting Hillside Courts Married Student Housing area with the central campus. This project would be funded over a three-year period beginning in 1977. Current estimated cost of the project is $405,000. The project would be scheduled for three phases, 1977, 1978 and 1980. The university expressed its desire to have the preliminary study and report accomplished prior to any of the specific designs on any of the phases in order that the design and construction may proceed in a logical sequence, and so that the maximum dollar benefit may be obtained from the dollars spent in any given year.
Regent Shaw said he feels the board should always consider whether road expenditures could more properly be charged to ancillary activities. Vice President Stansbury commented that the access road will be used for more than just an access to Hillside Courts.

MOTION: Mr. Slife moved the board approve a design agreement with the firm of Brice, Petrides and Associates, Inc. of Waterloo, Iowa for a preliminary study and report on the Hillside Courts Access Road. Mr. Bailey seconded the motion and it passed unanimously.

President Petersen asked board members and institutional executives if there were additional matters to be discussed under the University of Northern Iowa's portion of the docket. There were no additional matters brought up for discussion.
The following business pertaining to Iowa School for the Deaf was transacted on Thursday, June 10, 1976.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of May 1976 were ratified by the board.

APPOINTMENT OF SECRETARY-TREASURER FOR 1976-77. The board was requested to re-elect Melvin H. Kuehnhold as secretary and treasurer of the Iowa School for the Deaf for the year that will begin July 1, 1976, with the understanding that reports to the board will be made through the superintendent of the Iowa School for the Deaf and that the treasurer's bond, in the amount of $50,000.00, will be purchased from the lowest responsible bidder.

MOTION: Mr. Baldridge moved the board re-elect Melvin H. Kuehnhold as secretary and treasurer of the Iowa School for the Deaf for the year that will begin July 1, 1976, with the understanding that reports to the board will be made through the superintendent of the Iowa School for the Deaf and that the treasurer's bond, in the amount of $50,000.00, will be purchased from the lowest responsible bidder. Mr. Zumbach seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. There were no items on the Register of Capital Improvement Business Transactions for the month of May 1976.

PRELIMINARY BUDGET FOR 1976-77. The board was requested to approve the preliminary budget for 1976-77 in the amount of $2,810,000 for the Iowa School for the Deaf.

The Board Office reported that the preliminary budget proposed was based on funding of $48,000 from institutional income. The appropriations as enacted include $110,000 for pupil transportation. The institutional income remains as originally planned in the budget request.

The Board Office noted that the expenditures all conform with those calculated in accordance with the policies utilized in developing the Appropriations Act. The faculty and institutional officials will receive a cost of living increase of approximately 5%. The increase in the faculty salary schedule is 4 1/2% step increases and increases according to improvement in qualifications will be made in accordance with the salary schedule jointly developed by Iowa School for the Deaf and Iowa Braille and Sight Saving School. Any teachers whose salaries exceed the pay scale will be provided with an increase not
to exceed 2 1/2% in order to comply with the practice established for professional and scientific staff and general service staff as required in the Appropriations Act for the latter two groups of employees. The general service staff employees will be provided with salary increases in accordance with the Regents Pay Plan. The determination of salary increases for professional and scientific staff await final decision on the pay plan for this group of employees.

Iowa School for the Deaf expressed concern about the budget for fuel and purchased electricity but the "pass through" concept, responded the Board Office, as included in the Appropriations Act, should provide additional funding if it is found to be necessary. It is important that the conservation program be continued so that there will be no credibility lost with the State Comptroller and the legislature regarding the practice of "pass through" concept. The Board Office went on to report that the special needs includes $36,000 for unemployment insurance and the $110,000 for pupil transportation. The institution has not allocated the $36,000 for employment compensation to the employee categories where it ultimately will be expended as needed. Pupil transportation has been shown under general expense which implies that the transportation program will be on the basis of purchased services and no institutional salaries will be involved.

Mr. Richey commented that Iowa School for the Deaf did not submit detailed documentation and instructed it to do so in all future instances.

MOTION: Mr. Barber moved the board approve the preliminary budget for Iowa School for the Deaf for 1976-77 in the amount of $2,810,000. Mr. Brownlee seconded the motion and it passed unanimously.

President Petersen asked board members and institutional executives if there were additional matters to be brought up for discussion. There were no additional matters discussed.
The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Thursday, June 10, 1976.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of May 1976 were ratified by the board.

APPOINTMENT. The board was requested to approve the reappointment of M.D. Berry as secretary-treasurer of Iowa Braille and Sight Saving School for 1976-77.

MOTION: Mr. Bailey moved the board approve the reappointment of M.D. Berry as secretary-treasurer of the Iowa Braille and Sight Saving School for 1976-77. Mrs. Collison seconded the motion and it passed unanimously.

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

Three new projects were presented the board:

Masonry Tuckpointing - Main Building, West Side
Source of Funds: Current year funds $4,975

Interior Painting - Three New Stair Columns
Source of Funds: Current year funds $7,500

Alterations to the West Rear Entrance of the Superintendent's Residence
Source of Funds: 1975-76 RR&A $4,950

The Board Office reported that since all three projects are under $10,000, the school plans to utilize informal bidding procedures and will report recommended contract awards to the executive secretary within the next 30 days.

MOTION: Mr. Barber moved the board approve the actions reported on the Register of Capital Improvement Business Transactions for the period of May 1976 and authorized the executive secretary to sign all necessary documents. Mr. Shaw seconded the motion and it passed unanimously.

RAZING OF BUILDINGS. The board was requested to authorize Iowa Braille and Sight Saving School to take action to raze four obsolete buildings: a garage, a mower shop, feedhouse, and headerhouse. The total book inventory values $2,745.65.
The Board Office reported that the estimated cost of the project, which would include seeding the area, is $3,000, to be funded from 1975-76 RR&A.

These buildings were included in the master plan developed by Brown Healey and Bock and the funding of the demolition from RR&A will mean a slight reduction in future capital askings for funding that portion of the master plan.

Business Manager Berry commented regarding the water tower project at the school. He requested the board grant it authority to negotiate for engineering contracts. He reported that due to underground utilities, streets and driveways, the school would like to have some expertise in this respect. He recommended the firm of Shive-Hattery & Associates for this project.

MOTION: Mr. Baldridge moved the board authorize the Iowa Braille and Sight Saving School to negotiate for engineering services with Shive-Hattery & Associates and also moved that the four obsolete buildings (garage, mower shop, feedhouse, headerhouse) as described in the docket material be razed. Mrs. Collison seconded the motion and it passed unanimously.

UNEMPLOYMENT COMPENSATION SERVICE CONTRACT. The board was requested to authorize Iowa School for the Deaf and Iowa Braille and Sight Saving School to jointly contract with Gates, McDonald and Company for servicing unemployment compensation programs at both schools.

The Board Office reported that Gates, McDonald is a national organization which specializes in administering unemployment insurance and workmen's compensation programs for their clients. While their headquarters is in Columbus, Ohio, they do have a branch office in Des Moines through which they service, in addition to private clients in this area, all agencies on the central state payroll system except the Department of Transportation. The fee rate proposed for Iowa School for the Deaf and Iowa Braille and Sight Saving School is the same as that being paid by the state. The combined cost of the service for one year for Iowa School for the Deaf and Iowa Braille and Sight Saving School is about $1,000.00.

Regent Slife asked if this firm has been hired by any other of the Regents' institutions. Mr. Richey responded that Iowa State University has used the services of this firm.

Regent Baldridge asked if the two schools have unemployment claims and both Superintendent Woodcock and Superintendent Giangreco responded affirmatively. Superintendent Woodcock said the school is exploring very carefully the use of this firm.

MOTION: Mr. Slife moved the board authorize Iowa School for the Deaf and Iowa Braille and Sight Saving School to jointly contract with Gates, McDonald and Company for serving unemployment compensation programs at both schools. Mr. Baldridge seconded the motion and it passed unanimously.
SUMMER SCHOOL BUDGET - TITLE VI. The board was requested to approve the budget of $6,069.21 to extend the summer school program for deaf-blind students into the first 17 days of July 1976.

The Board Office reported that Iowa Braille and Sight Saving School has received a verbal commitment for additional funding from the 1976-77 budget for continuation of the deaf-blind summer program. The institution will obtain formal notification of the availability of the funds before proceeding with continuation of the summer program and desired that the board provide its approval at this time so there is no interruption of the program before the July board meeting.

MOTION: Mr. Barber moved the board approve the budget of $6,069.21 to extend the summer school program for deaf-blind students into the first 17 days of July 1976 for Iowa Braille and Sight Saving School, subject to formal notification of funding. Mrs. Collison seconded the motion and it passed unanimously.

PROPOSED ACADEMIC SALARY SCHEDULE FOR 1976-77. The board was requested to approve the proposed academic salary for Iowa School for the Deaf and Iowa Braille and Sight Saving School for 1976-77.

The Board Office noted that the proposed academic salary schedule was submitted to the board at the April board meeting but consideration was deferred until the appropriations for 1976-77 had been enacted. The institutions have assured the Board Office that the proposed academic salary schedule is fundable while at the same time funding the salary schedules for professional and scientific and for general service staff. However, the schedule would not be fundable if it were brought up to be comparable with the schedules for Vinton Community Schools, Lewis Central or Council Bluffs public schools which start at a beginning base of $9,150, $9,000 and $9,000, respectively, in comparison with a proposed beginning base for Iowa School for the Deaf and Iowa Braille and Sight Saving School of $8,832.

Regent Baldridge asked if it would be possible at some time to get a kind of formula on salary schedules going through the Iowa Association of School Boards to see what's fair. Mr. Richey concurred that this should be explored.

MOTION: Mr. Baldridge moved the board approve the proposed academic salary schedule for 1976-77 for Iowa School for the Deaf and Iowa Braille and Sight Saving School. Mrs. Collison seconded the motion and it passed unanimously.

PRELIMINARY BUDGET FOR 1976-77. The board was requested to approve the proposed preliminary budget for 1976-77 for Iowa Braille and Sight Saving School in the amount of $1,518,000.
The Board Office reported that funding for the proposed preliminary budget is based on institutional income of $40,000 as originally planned, the appropriations from Senate File 1261 and Senate File 1324. Senate File 1261 includes a section for transportation to and from the institution in the amount of $38,750 which is included in the preliminary budget of $1,518,000. The $38,750 would be expended in the amount of $33,260 for general expense and the remaining $5,490 for general service staff salaries. The unemployment insurance has been distributed to the various salary categories.

The institution assured the Board Office that the salaries can be funded with salaries increased in accordance with the general increases in the pay matrices and the step increases for all three salary categories.

MOTION: Mr. Barber moved the board approve the proposed preliminary budget for 1976-77 for Iowa Braille and Sight Saving School in the amount of $1,518,000. Mr. Bailey seconded the motion and it passed unanimously.

President Petersen asked board members and institutional executives if there were additional matters to be brought up for discussion relating to Iowa Braille and Sight Saving School.

ACCREDITATION. Superintendent Woodcock commented that Iowa Braille and Sight Saving School prepared a reassessment report for the National Accreditation Council. He reported that when NAC evaluated the school the week of May 23-26 the school was notified that that report was one of the best documents ever viewed by it.

COMMENCEMENT ADDRESS. Superintendent Woodcock expressed appreciation to Regent Zumbach for the fine commencement address he gave at the Iowa Braille and Sight Saving School. Regent Slife, who also attended the commencement exercises, concurred with Superintendent Woodcock's remarks by saying it was an impressive address.

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 12:15 p.m., Thursday, June 10, 1976.