

The State Board of Regents met at the University of Northern Iowa, Cedar Falls, Iowa, on Thursday, March 13, 1986. The following were in attendance.

State Board of Regents

Mr. McDonald, President	Excused
Mrs. Anderson	All sessions
Mr. Duchon	All sessions
Mr. Greig	All sessions
Dr. Harris	All sessions
Mrs. Murphy	All sessions
Mr. Tyler	Excused
Miss VanEkeren	All sessions
Mr. VanGilst	All sessions

Office of the State Board of Regents

Executive Secretary Richey	All sessions
Director Barak	All sessions
Director Wright	All sessions
Assoc. Dir. Runner	All sessions
Assoc. Dir. Stanley	All sessions
Asst. Dir. Peters	All sessions

State University of Iowa

President Freedman	Exc. 1:30 p.m.
Vice President Ellis	Exc. 1:30 p.m.
Vice President Remington	Exc. 1:30 p.m.
Associate Vice President Small	Exc. 1:30 p.m.
Assistant to President Mears	Exc. 1:30 p.m.
Director Jensen	Exc. 1:30 p.m.

Iowa State University

President Parks	Exc. 1:45 p.m.
Vice President Christensen	Exc. 1:45 p.m.
Vice President Moore	Exc. 1:45 p.m.
Director Lendt	Exc. 1:45 p.m.

University of Northern Iowa

President Curris	All sessions
Provost Martin	All sessions
Vice President Follon	All sessions
Director Kelly	All sessions
Director Stinchfield	All sessions

Iowa School for the Deaf

Superintendent Giangreco	Exc. 12 noon
Business Manager Kuehnhold	Exc. 12 noon

Iowa Braille and Sight Saving School

Superintendent DeMott	Exc. 12 noon
Business Manager Berry	Exc. 12 noon

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Thursday, March 13, 1986. President McDonald and Regent Tyler were excused from the meeting. Regent Harris presided. Prior to the convening of the meeting, board members and Board Office staff personnel toured the new art building on the UNI campus.

APPROVAL OF MINUTES. The minutes of the February 19, 1986, meeting were approved as published by general consent of the board.

CONSENT DOCKET. The items on the consent docket appear in the appropriate sections of these minutes.

ACTION: Acting President Harris stated that the items on the consent docket were approved by general consent of the board.

INTERINSTITUTIONAL COMMITTEE ON EDUCATION COORDINATION. a. Proposed Curriculum Changes at the University of Northern Iowa. The Board Office recommended approval of the proposed curriculum changes for 1985-86 and approval of minor programs in Secondary Reading and Computer Science and major programs in School Counseling, Communication/Radio-TV, and B.S. degree in Biology.

The Board Office noted that the Interinstitutional Committee had recommended approval of the curriculum changes.

The university reported that a total of 59 courses were proposed to be dropped and 59 new courses were proposed. Vice President Martin stated the university encouraged rigorous review of the offerings and was also concerned about keeping the content of courses current.

The curricular trends in each of the departments are summarized below.

School of Business. In terms of curricular changes, the UNI School of Business has been relatively stable for several years. This year the Department of Marketing requested a rather sweeping reform of its required courses. Other than that, the School of Business requested involve only minor changes. The School of Business added eight new courses and dropped ten.

College of Education. The curricular changes initiated this year reflected ongoing improvement of both graduate and undergraduate programs. The Ele-

mentary and Secondary Guidance and Counseling programs have been combined into a single School Counseling Program, majors in Elementary Education--Reading Emphasis, Reading Education, Secondary Reading, General Educational Psychology, Health Education, Community Health, and Physical Education have been restated. These restatements were largely changes in titles, descriptions, or credit hours which more accurately reflected course content and requirements.

The Secondary Reading Minor--Teaching appeared to meet all of the Regents' criteria.

College of Humanities and Fine Arts. The Department of Communication and Theatre Arts proposed a major revision of the Communication/Radio-TV major to include an emphasis on production/performance and an emphasis on broadcast journalism. The department has also proposed that a new interdisciplinary major in Communication/Radio-TV Business, which includes a management emphasis and a marketing and sales emphasis. Other units within the college recommended only course changes. Twenty-seven new courses were proposed and 22 were being dropped. The proposed major in Communication/Radio-TV Business major is unique in Iowa and seemed to meet all of the criteria of the Board of Regents.

College of Natural Science. The College of Natural Science is continuing efforts initiated last year when it initiated Bachelor of Science programs in Chemistry, Geology, Physics, and Applied Physics, by developing a Bachelor of Science degree in Biology. The college also proposed the training of secondary school teachers in computer science.

The college currently offers Bachelor of Arts degrees in Biology and proposed the offering of a Bachelor of Science degree Biology. This program, while similar to courses offered at Iowa, Iowa State, and other institutions in Iowa, is consistent with the B.A. program currently being offered. The program otherwise meets the Regents' criteria for approval. The Bachelor of Arts minor in Computer Science-Teaching also meets the Regents' criteria.

College of Social and Behavioral Sciences. The faculties in the departments of the College of Social and Behavioral Sciences engage in ongoing analysis of programs and courses. In response to changing demands and opportunities, a number of course changes have been made. Ten courses have been added, while eight have been dropped.

MOTION:

Mr. Duchon moved that the board approve the curriculum changes at the University of Northern Iowa for 1985-86. Mrs. Anderson seconded the motion, and it passed unanimously.

b. Faculty Activity Analysis Report. The Board Office recommended the board receive the report of the three universities regarding faculty activity

analysis, 1984-85; and approve a change in the Procedural Guide to reflect the new activity categories.

The Board Office noted the policy approved by the board required the biennial faculty activity analysis reports would consist of two parts: (1) a faculty activity report based on the percent of effort; and (2) a faculty effort report of the average hourly work week using a sampling procedure.

The faculty activity report is based on a percent of effort in six categories -- teaching activities; administrative activities; nonsponsored research; sponsored research; other sponsored activity; and other university, public and professional service. The information was provided with respect to the six categories and the number of full-time equivalent faculty by institution and rank and by college and rank within each institution. The table below summarizes the faculty activity reports of the three Regent universities.

FACULTY ACTIVITY REPORT
Fiscal Year 1984-85

	PROFESSOR		ASSOC PROFESSOR		ASST PROFESSOR		INSTRUCTOR		TOTAL	
	FTE	%	FTE	%	FTE	%	FTE	%	FTE	%
UNIVERSITY OF IOWA										
Teach Activities	56.8		58.9		64.1		86.6		60.7	
Admin Activities	12.5		9.3		3.9		0.4		8.7	
Nonspon Research	18.8		20.0		21.5		6.0		19.3	
Sponsored Research	9.7		9.7		8.9		3.4		9.2	
Other Spon Activity	0.9		1.2		1.0		0.0		1.0	
Other Univ/Pub Svc	1.3		0.9		0.6		3.6		1.1	
TOTAL	721.5	100.0	471.1	100.0	483.4	100.0	76.5	100.0	1752.5	100.0
IOWA STATE UNIVERSITY										
Teach Activities	67.2		75.0		77.7		76.9		73.3	
Admin Activities	3.9		2.9		1.6		1.0		2.6	
Nonspon Research	7.0		4.2		3.0		1.6		4.4	
Sponsored Research	14.3		7.4		6.3		6.1		9.3	
Other Spon Activity	6.4		6.6		6.4		3.2		5.9	
Other Univ/Pub Svc	1.3		3.9		5.1		11.2		4.5	
TOTAL	630.2	100.0	423.6	100.0	472.8	100.0	307.6	100.0	1834.2	100.0
UNIVERSITY OF NORTHERN IOWA										
Teach Activities	68.5		70.0		79.8		70.7		73.0	
Admin Activities	16.5		8.0		3.5		2.2		7.7	
Nonspon Research	5.9		7.0		6.2		1.9		5.7	
Sponsored Research	1.2		2.4		0.9		0.0		1.3	
Other Spon Activity	2.9		3.3		1.9		2.9		2.7	
Other Univ/Pub Svc	5.0		9.3		7.7		22.3		9.6	
TOTAL	153.6	100.0	177.4	100.0	209.0	100.0	95.1	100.0	635.1	100.0

Each university also provided a report of the average hourly work week using sampling procedures. The mean number of hours worked per week at the University of Iowa was 56.7, 54.86 at Iowa State University, and 57.03 at the University of Northern Iowa. In the last report to the board in 1980, the average effort expended on all university activities by the average full-time equivalent faculty member was 57.14 at SUI and 56.3 at ISU. The last report to the board from the University of Northern Iowa was in 1974 when the average work load for faculty was 61.1 hours per week.

The Board Office recommended that the Procedural Guide be revised to reflect the change in reporting categories (i.e., change "Educational Service Agreements" to "Other Sponsored Activity"), as necessitated by federal reporting regulations.

Vice President Christensen stated that the reports indicated the faculty members were very dedicated and were stretching themselves to meet the increasing enrollments.

Vice President Remington noted that the majority of time was spent in teaching, but a substantial amount was spent in scholarship and research.

Vice President Martin stated the report showed that the faculty was very productive and was working almost incessantly.

Regent Duchen stated he was pleased to see Vice President Remington quoted in the paper recently concerning the amount of time the faculty at the University of Iowa spent in the classroom per week. He said that the board needed to not be so modest about what is going on at the universities and needed to do a better job getting the word out to the public. He added that the legislature should also be made aware of the faculty activity report.

MOTION: Mr. Duchen moved that the board approve the actions as recommended. Mr. VanGilst seconded the motion, and it passed unanimously.

c. Name Change of the Afro-American Studies Program to the African-American World Studies Program - University of Iowa. The Board Office and the Interinstitutional Committee reviewed the request and recommended approval of the name change. Changing the name of the program will more accurately describe the scope of the program for prospective students and the general public, and the change has no programmatic or budgetary implications.

MOTION: Mrs. Anderson moved that the board approve the name change as outlined above. Mrs. Murphy seconded the motion, and it passed unanimously.

d. Name Change of the Farm Operation Curriculum to the Agricultural Studies -- Farm Operation at Iowa State University. The Board Office and the Interinstitutional Committee reviewed the request and recommended approval of the name change. The change was felt to be more appropriate to the designation of the program in terms of departmental location and the placement and careers of graduates.

MOTION:

Miss VanEkeren moved that the board approve the name change as outlined above. Mr. Greig seconded the motion, and it passed unanimously.

IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION. The Board Office recommended the board receive the report of the March meeting of the council.

Highlights of the meeting are as follows:

- * Summer Institute for Teachers. The council discussed the situation with respect to the funding for the Summer Institute for Teachers and concluded that the institutions whose grants were approved by the Coordinating Council should be notified of the availability of funds for these grants. John Hartung reported that it was estimated that the portion of the lottery funds allocated for this purpose would be about \$500,000 by the end of the fiscal year which would fund most of the projects approved by the council. The council indicated that those institutions whose grants were at the top of the priority list should go ahead and plan for the Summer Institute Program with the understanding that full funding may not be available. The others could also go ahead and plan for the summer but would do so at their own financial risk. The council authorized a letter that would be distributed to each of the grant recipients advising them of the situation.

President Curris stated that the proceeds from the Iowa Lottery were approved for distribution by the General Assembly and toward the end of the distribution process, a good amount of money was made available to the Coordinating Council for the purpose of summer institutes for teachers which were directed to-strengthening skills in areas of critical shortages--math, science, and foreign language. The council elicited proposals and ranked them and prepared to have them awarded. Subsequently, the proceeds from the lottery did not materialize at the level anticipated. Due to the decrease in the amount of funds, only four of the six proposals would be funded.

- * Policy Statement on Intra- and Intersector Cooperation. The council heard reports from the sectors (including the Regents' action in February) regarding the status of the proposed policy statement on Intra- and Intersector Cooperation in Program Planning and approved a final version of the statement. The statement is now regarded as policy of the Coordinating Council. The council then discussed the next steps with respect to this matter and requested that a committee develop recommendations with respect to "monitoring" compliance with the

Coordinating Council's policy. It is expected that this report would be provided to the council at its April meeting.

Regent Anderson stated she still had concerns about the policy statement and asked what was the intent of the committee appointed by the council.

President Curris said there was a good discussion about what the council was trying to accomplish in the process of coming up with the statement. He said that the big issue was whether there was a problem and if there was, how it should be addressed. He said that most of the problems that have arisen have not involved the Regent institutions. The sentiment seems to be to assure better communication, and there should be some kind of effort to try and avoid the duplication in offerings which generates ill will. He said there would be duplicative offerings. The thinking is to have good communication; and if some things are really awry, they would be resolved before its goes public. The idea behind the specific language was that either on an ad hoc or a continuous basis the council should have a process by which to hear such problems. He added the council had no authority to veto. The only thing it had was the persuasive ability to address the issue.

Regent Anderson stated she still had some real concerns about the wording of the policy and that it could very well come back later on to haunt the board.

Director Barak stated that the statement would be sent to the all the institutions, public and private, with an explanatory letter from the president of the council.

Regent Harris stated the important thing is to keep the lines of communication open with the private colleges.

- * Communication with Congressional Delegation. The Coordinating Council reviewed a draft letter to be sent to the Iowa Congressional delegation regarding the status of student financial aid and tax reform. Two letters, one on each of these subjects, will be sent to each member of the Congressional delegation. The council is also pursuing the possibility of recommending legislation to have board members of voluntary organizations covered under a "good samaritan"-type law.
- * The Coordinating Council heard a brief report on the legislative programs of each of the sectors. There was a long discussion of several proposed bills, including the reorganization of the executive branch. The council noted with concern the proposal to do away with the lay board appointment of the Commissioner of Education and the Executive Director of the College Aid Commission. There was a feeling on the council that this would result in political intrusions into the academic area. A letter will be prepared on behalf of the council to be sent to appropriate legislative bodies.

ACTION: Acting President Harris stated that the report of the meeting was received by general consent of the board.

ACCREDITATION REPORTS. a. Iowa State University - B.S. Program in Forestry. The Board Office recommended the board receive the accreditation report.

Iowa State University was notified that the Council of the Society of American Foresters voted to accept the "Progress Report" submitted and to continue accreditation of the first professional degree program currently accredited in Forestry through 1991.

A complete copy of the accreditation report is on file in the Board Office.

ACTION: Acting President Harris stated that the accreditation report was received by general consent of the board.

b. State University of Iowa -- Nursing Program. The Board Office recommended the board receive the accreditation report.

The report consisted of a review of information regarding certification of faculty and specific consideration of the program with respect to: philosophy and objectives, finances, contractual agreements, organization, faculty, evaluation, students, curriculum, and facilities. While all of these areas were found in compliance, the Board of Nursing did note some rather minor concerns with respect to data collection and the organizational chart of the college, the establishment of a mechanism for assuring continued active licensure of all R.N. faculty, and the development and implementation of a systematic program evaluation plan.

It should be noted that a mechanism has been established for assuring continual active licensure of all R.N. faculty and the other items noted by the report have been responded to.

A complete copy of the materials relating to this accreditation are on file in the Board Office.

ACTION: Acting President Harris stated that the accreditation report was received by general consent of the board.

Mr. Richey stated Regents VanGilst, Greig, and McDonald met recently with the North Central Accreditation team.

Regent VanGilst stated meeting with the team was a good opportunity and that the verbal report of the accreditation appeared to be quite favorable.

Vice President Christensen said the university was grateful the board members had the opportunity to meet with the accrediting team and that it was important that the team had the opportunity to find out what the board thought about the institution.

LEGISLATIVE REPORT. Mr. Richey stated board members had met with several legislative leaders at dinners and on other occasions over the past month. President McDonald and Regent VanGilst had a very productive meeting with Speaker Avenson and the majority and minority leaders of the House and Senate.

Mr. Richey stated the major legislative item was the state government reorganization bill which had passed the Senate and was being considered by the House State Government Committee. As the bill passed the Senate, there was one area of concern to the Regents. There was a provision in the bill for the State Treasurer to coordinate the issuance of obligations by all state agencies, including the Board of Regents, which would affect the Regents bonding authority. The bill as amended by the House committee clarified that section so that there would be no doubt that the Regents were included. Another vital issue is one that puts the Equal Employment Opportunity and Affirmative Action programs for employees of the Regents under the new State Director of Personnel who would be appointed by the Governor and serve at the Governor's pleasure or be appointed by the State Personnel Commission.

He stated that another area of concern in the reorganization bill was the Minority and Women Business Enterprise set aside. He explained that last month the board had approved alternative language to a bill proposed by Representative Brammer which would have required the Regents to set aside five percent of the value of anticipated total procurement of goods and services for small businesses owned and operated by females and socially or disadvantaged persons. The board's amendment authorized the board to develop and implement a program to set aside a portion of its anticipated total procurement for minority business enterprises and women business enterprises. An amendment is now proposed which would place some of the purchasing authority of the Board of Regents under the State Department of Economic Development. He indicated that he had serious concerns about such an amendment.

Mr. Richey stated there was another issue concerning economic development which would require that economic development related programs of the universities be approved by the State Department of Economic Development. He stated the major concern is the governance authority of the universities; and for the first time in years, there is very serious consideration given to legislation that would authorize intrusion by state departments headed by direct appointees of the Governor into the research programs and personnel decisions of the universities. He indicated our people had stressed to the fullest degree the traditional and long-standing concern of the board about that kind of action. He stated he didn't know how the bill will come out of

the house but that there would undoubtedly be a conference committee established due to the major differences in the two versions of the bill.

Regent Anderson asked if the amendments were to the original Governor's reorganization bill.

Mr. Richey stated there was no intention in the Governor's bill that the State Department of Personnel would have any authority over the Regents.

Regent Anderson asked if there was a pattern to the amendments as an attempt to undermine the authority of the Board of Regents.

Mr. Richey stated he didn't feel there was a pattern to the amendments but that as they related to each issue, they take power away from the board which is very dangerous to the board's governance function.

Vice President Ellis stated it was a little hard to characterize the dynamics in the legislature right now. The university has found it has been difficult communicating with legislators who have been supportive of the universities and the board in the past. He added that the legislative liaisons and others have been trying to every extent possible to get the supporters to understand the implications.

Regent Anderson asked if the amendments are not a part of the Governor's original bill, was he using his influence to gain support for the board.

Mr. Richey stated he had talked with the Governor's legislative liaison but that he did not know what was being done specifically and noted that the Governor's office had interest in many other major areas of the bill. He indicated there was a keen appreciation in the Governor's office of the huge success the board has had in its bonding and financing functions. From a fiscal standpoint, the board could incur serious damage should the bonding authority no longer rest with the Regents. There would be the burden of additional costs of administration, and such systems normally involved great delays. He noted that in Michigan approval for a bond issue took from six to eight months when a central system was in effect.

Regent Harris asked if the point had been made with the legislature concerning experiences in other states.

Mr. Richey stated the legislative liaisons had been thoroughly briefed.

Regent Greig stated that, as we look at what the legislature was doing in the reorganization process, he thought the board had been too complacent. He stated he felt the board should "blow its own horn" more. He said that it was up to the Regents to let the public know how good the institutions were.

Regent Harris stated it would be generally agreed that the legislature was doing what it thinks it right for the state, and it is up to the board

to point out to the legislature that some things may be devastating as far as the Regent institutions were concerned. He added that it was very important that the message get to each of the legislators and that as much help as possible be obtained from the media.

Regent VanGilst stated the legislature has heard nothing from the alumni. He said when he was a legislator, there was an active alumni legislation program. He said we needed local people contacting their local legislators to tell them of the tremendous product of the Regent institutions.

Regent Greig agreed with Regent VanGilst and said that something had to be formulated along those lines.

Regent VanGilst stated that the responsibility was on the Board of Regents.

Regent Harris stated he would appoint Regents VanGilst, Murphy, and Greig as a committee of three to develop a strategy to carry out the thoughts expressed by the board members.

President Parks stated he felt the public information people at each of the universities should work closely with the committee.

Regent Harris stated the committee would seek assistance from the universities and from the Board Office staff.

Director Wright explained President Curris had contacted the Board Office concerning pending federal legislation which would impact negatively on TIAA-CREF. He said that he had consulted with the other two presidents and TIAA-CREF. The legislation would change the federal tax code to allow TIAA-CREF reserve to become taxable.

Director Wright recommended the board direct the board president or the executive secretary to write letters on behalf of the board asking that the tax law not be changed.

President Freedman stated he had written to Senator Grassley, and he is in a special position to be helpful.

MOTION: Mrs. Anderson moved that the board receive the legislative report and approve the action as recommended concerning TIAA-CREF. Mrs. Murphy seconded the motion, and it passed unanimously.

ANNUAL RESIDENCE SYSTEMS REPORT, 1984-85. The Board Office recommended the board receive the residence system summary report and the university annual residence system reports for FY 1984-85.

Associate Director Stanley stated that the reports are prepared annually by the universities and report on all aspects of the residence system. She

noted that occupancy continues to be at good levels and the financial condition of the systems appeared sound.

Highlights of the Board Office summary report is as follows:

- Residence hall occupancy continued above design capacity at the University of Iowa and Iowa State University with 111.9 percent and 111.3 percent, respectively. The University of Northern Iowa residence hall occupancy declined from 98.8 percent in FY 1983-84 to 95.1 percent in 1984-85 but increased in the current year to 102.7 percent of design capacity.
- University apartment occupancies declined slightly at the University of Iowa and Iowa State University to 99.2 percent and 99.1 percent of design capacity, respectively. The University of Northern Iowa, in part as a result of changes in access policy, significantly improved occupancy rates from 82.5 percent in FY 1984 and 95.1 percent in FY 1985. Excess apartment capacity in Iowa City and Cedar Falls made it increasingly difficult to maintain high levels of occupancy.
- In FY 1985, social/cultural/recreational/educational programming continued to be broadened in scope with expanded participation of students as program developers and presenters at the "grass roots" level of student governance.
- Suspension of the parietal rule for freshmen and sophomore students continued in FY 1984-85 at the University of Iowa and the University of Northern Iowa.
- Freshmen enrollment at the University of Iowa declined in the fall of 1984 and again in the fall of 1985. Substantial increases in juniors and seniors in the residence halls helped maintain full occupancy.
- Total revenues increased in FY 1984-85 by 4.1 percent to \$52.1 million, while operating expenses increased 3.9 percent to \$40.1 million.
- The residence system dining service served 7.9 million meals in FY 1984-85 and in the process produced \$26.8 million in revenue or 51.4 percent of total residence system operating revenue.
- The FY 1984-85 residence system net operating income, or income available to replenish required and contingency reserves was \$11.9 million in FY 1984-85, or approximately 4.5 percent greater than those generated in FY 1983-84. This was sufficient to meet all required debt service, mandatory transfers and to replenish contingency reserves.
- Year-end voluntary reserves, or those reserves available for improvements and contingencies, amounted to \$12.998 million compared to \$12.890 million in FY 1984. These reserves amounted to approximately 25 percent

of FY 1984-85 revenues; however, they were comparatively lower at ISU than at either SUI and UNI.

- Year-end restricted reserves or those necessary to hold approximately one year's debt service payments in reserve, amounted to \$5.936 million.
- In FY 1984-85, residence system space was approximately 26.6 percent of all Regent-maintained space. Residence system space amounted to 6.7 million gross square feet. The average maintenance cost per square foot of space in FY 1985 was \$1.25 which was approximately six percent more than the cost in FY 1983-84. Outlays for maintenance, replacements and repairs in FY 1985 were \$8,331,000.
- The replacement value of the residence system buildings and contents for FY 1984-85 is estimated at \$347.2 million. This compares to the original value of plant assets of \$118.1 million.
- Overall, the university residence systems closed FY 1984-85 in good financial condition although the impact of projected declining student enrollments and associated revenues were an area of concern.

ACTION: Acting President Harris stated that Annual University Residence System Reports were received by general consent of the board.

UNIVERSITY RESIDENCE SYSTEM TEN-YEAR PLANS, 1986-1996. The Board Office made the following recommendations: (1) that the residence systems' Ten-Year Plans, prepared by the universities, be received; (2) that the Board Office and institutions closely monitor the condition of the residence systems' monetary reserves; and (3) that the residence systems' staffs, in cooperation with the Board Office, continue to review present reporting format for the Ten-Year Plan, and initiate appropriate refinements in format or content for next year's update.

Associate Director Runner stated that the plans, which are prepared annually, look forward through a ten-year horizon.

The Ten-Year Residence System Planning Reports focused on resource requirements for the coming decade. The three reports were prepared using a similar format--incorporating sections on program directions, space planning and management, building improvements, and operating finances and reserves.

The planning reports provided information on the condition, planning assumptions, and anticipated actions of the residence systems through the ten-year planning horizon. The statistics discussed in the reports were estimates and represented the best available long-range perceptions of the residence administrators.

Each university projected future occupancy rates for the residence systems based on the most recent enrollment reports presented to the board in Fall 1985. The projected demand for university housing was based on university enrollment projections through the ten-year planning period and the application of historical percentages by class levels in each of the ten years.

Enrollments are projected to decline over the next ten years by 20 percent at the University of Iowa, 11.5 percent at Iowa State University, and 14.3 percent at the University of Northern Iowa. Undergraduate student enrollment is projected to decline over the next ten years by 24 percent at the University of Iowa, 14 percent at Iowa State University, and 16 percent at the University of Northern Iowa. Lower division undergraduate (freshman and sophomore) enrollment is projected to decline by 21 percent at the University of Iowa, 13 percent at Iowa State University, and 16 percent at the University of Northern Iowa. The largest proportion of students living in the residence halls is drawn from the lower division undergraduate student population.

The projected decline in total occupancy of the residence system is most significant at the University of Iowa, where the expected decline in fall headcount for the residence halls and student apartments is expected to decline 11 percent by 1995. Iowa State University and the University of Northern Iowa expected that the anticipated decline in total university enrollment would be offset by an increasing portion of the student body selecting university housing.

Over the ten-year planning horizon, Iowa State University projected that the portion of the student body housed in university housing would increase from 43 percent to 48 percent, and the University of Northern Iowa projected that its portion of the student body would increase from 43.6 percent in 49.7 percent. Therefore, at those two institutions, only a slight decline in total occupancy was anticipated, 1.5 percent decline in Iowa State, and 2.4 percent at the University of Northern Iowa. The expectation that the number of students selecting university residence halls or apartments as a percent of the student body would increase is an assumption that should be carefully monitored by the universities and the Board Office in the coming years.

All three residence systems currently operate their residence halls above design capacity.

Apartment housing operated by the residence systems operates at or near capacity. The expected decline in total occupancy over the ten-year planning horizon will be managed through reductions in the operating capacities of the residence systems.

No major new construction in residence halls or apartments are contemplated at the University of Iowa or the University of Northern Iowa. Iowa State University does plan to increase residence hall space by an addition to Buchanan Hall, a hall for graduate and older students. Iowa State also

anticipates replacing a large number of the Pammel Court Apartments over the next ten years. This phased replacement would be accomplished by the construction of 75 apartments every three years, beginning in 1989-90. These actions are based on enrollment projections and the high demand for housing--the demand that at present exceeds the system's capacity. The Board Office noted the need for 200 new residence hall beds in Buchanan Hall and 225 new replacement apartments in Pammel Court should be carefully reviewed before seeking board approval.

Regent Anderson asked why would the university request additional residence hall space with a projected decline in enrollments.

Charles Frederiksen, Director of Residence, ISU, stated the additional residence hall beds and the replacement apartments had been in the ten-year plan for several years. He noted that nothing definite had been done about either project, and before a request for approval was brought before the board, the university would assess the need for the projects very carefully. He added that they were continuing to tear down some of the Pammel Court structures so that there may be a time when others should be replaced.

Over the ten-year planning horizon, the residence departments intend to continue ongoing programs of repair, renovation, and improvement. Through 1995 the University of Iowa expects to spend over \$20 million or an average of \$2.8 million per year on building improvements, including window replacements, tuckpointing, roof replacements, and major renovation to building utility systems. ISU expects to spend \$41.7 million, or \$4 million per year, on window and roof replacements, and fire safety improvements. Over this same time period, UNI expects to spend \$14 million, or \$1.4 million per year, on ventilation system improvements, window replacements, and air conditioning projects. Major remodeling and renovation planned for the next ten years are discussed in each university's report.

The residence reports from the University of Iowa discuss the budgetary impact of cost increases for utilities purchased from the university. The issue is the scheduled implementation in 1989-90 of a utility system charge at ISU and SUI, which would finance the boiler replacement projects. The cost of utilities purchased by the residence system from the university is expected to increase 20 percent by 1989-90, when the new fluidized bed boiler is operational. This increase is \$340,000 above 1986 figures.

The university residence reports discussed the importance of offering a broad spectrum of programs and opportunities to students in the residence systems. The reports indicate the universities were responding to the increasing use of computers by installing additional terminals in monitored study rooms in the residence halls.

The Board Office noted the 1986-87 ratio of voluntary reserves to operating revenue at Iowa State was considerably below the ratios of the other two schools. The projections for ISU for the future years remain at a minimal

level and should be monitored closely. The Board Office indicated it would work with the university and keep the board informed.

It should be noted that all of the income and expense estimates are expressed in 1985-86 dollars. Price inflation was not been added; however, future rate changes necessary to maintain adequate reserves were factored in the calculations.

ACTION: Acting President Harris stated that the reports on the Ten-Year Residence Systems Plans were received by general consent of the board.

SETTLEMENT OF LAWSUIT. Director Wright explained that, when the docket was prepared, the board, at the request of the Office of the Attorney General, was asked to approve the settlement of Tenney v. Board of Regents by arranging for TIAA/CREF to refund to Dr. Tenney and the university their contributions to Dr. Tenney's retirement account and by paying to IPERS the employer's share of contributions, including interest, for the same time period. He noted that the Board Office recommendation was based on a letter received from the Assistant Attorney General which confirmed a telephone conversation in which Dr. Tenney's legal counsel had concurred with the settlement of the case.

Director Wright said that he had received a call from Dr. Tenney prior to the board meeting. Dr. Tenney indicated that the board had been asked to unilaterally approve a settlement with which he did not agree. Director Wright noted that it was the longstanding practice of the board not to deal with both the employee and his representative. Director Wright said he told Dr. Tenney that he would recommend to the board the item be dropped from the docket and that the Board Office and the Assistant Attorney General would continue to work with Dr. Tenney's counsel until Dr. Tenney informed him the counsel no longer represented him.

ACTION: Acting President Harris stated that the settlement of the lawsuit would be withdrawn from the docket by general consent of the board.

BOARD OFFICE PERSONNEL REGISTER. The following action on the register was approved as part of the consent docket: Merit Increase--Barbara Read, Secretary II, to \$15,225 annually (Grade 507, Step 4), effective March 4, 1986.

REGENTS MERIT SYSTEM PAY PLAN PUBLIC HEARING. The Board Office recommended the board schedule annual public hearing on the Regents Merit System Pay Plan for Tuesday, April 22, 1986, at 8 p.m. on the campus of the University of Iowa.

Acting president Harris asked Regent Anderson to chair the hearing and stated that all other board members should attend if possible.

NEXT MEETINGS.

April 23-24	University of Iowa	Iowa City
May 21-22	Iowa State University	Ames
June 18-19	University of Northern Iowa	Cedar Falls
July 16-17	University of Iowa	Iowa City
August	NO MEETING	
September 17-18	Iowa State University	Ames
October 15-16		Des Moines
November 19-20	Iowa School for the Deaf	Council Bluffs
December 17-18	University of Iowa	Iowa City
January 21-22, 1987		Des Moines
February 18-19	University of Northern Iowa	Cedar Falls
March 11-12	Iowa State University	Ames
April 22-23	University of Iowa	Iowa City

Acting president Harris then asked the board members and institutional executives if there were additional matters to be raised for discussion pertaining to general or miscellaneous matters.

Mr. Richey reported on the meeting of the **Iowa College Aid Commission**. He stated the commission at an earlier meeting had considered the application of the Business Institute of Technology in Waterloo for approval for the Iowa College Tuition Grant Program. The commission approved the application based on the letters submitted at the time from three colleges in Iowa saying they would accept the credits of that institution for transfer purposes. The law requires that either the institution be accredited, be a candidate for accreditation or have a letter from three accredited Iowa institutions stating that they would accept that institution's credits as if they were granted by an accredited institution. He stated a special meeting was held in late February to consider the same issue because some of the independent institutions that had submitted the letters withdrew them. The letters were written by the registrars and the institutions indicated they should have come from the top administration. The commission then withdrew approval of the institution because it did not have three letters. At the same time, a committee of the commission was established to draft new policies and rules for filing under the Administrative Rules. It had never adopted rules because it was not specifically required to under the the Administrative Procedures Act. Mr. Richey stated he was a member of that committee, and it was working on rules to make it very clear to become eligible for the Iowa College Tuition Grant Program.

Vice President Christensen stated the Regent Committee on Educational Relations had also been looking at the issue. They decided that any letters coming from the registrars must be co-signed by the academic vice president.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Thursday, March 13, 1986.

REGISTER OF PERSONNEL CHANGES. The register for February 1986 was approved as a part of the consent docket.

APPOINTMENT. The appointment of Wallace Chappell as Director of Hancher Auditorium, effective March 13, 1986, was approved as a part of the consent docket.

PHASED RETIREMENT. The phased retirement request of Elaine M. Lown, Clerk III, effective April 1, 1986, was approved as a part of the consent docket. Ms. Lown proposed to reduce her appointment to 80 percent effective April 1, 1986; to 60 percent effective April 1, 1988; and to 50 percent effective April 1, 1990. The university reported that savings generated by her phased retirement would be used for student employment to cover the remainder of her schedule. Ms. Lown meets the age and service requirements for eligibility for phased retirement.

PROFESSIONAL AND SCIENTIFIC CLASSIFICATION PLAN. The Board Office recommended approval of the following revisions in the university's professional and scientific classification plan:

New Classes

Assistant to the V.P. for Finance and University Services
Grade 11 (\$25,520 - \$40,810)

Assistant Manager, Telecommunications Services
Grade 9 (\$21,780 - \$34,520)

Revision

Assistant Manager, University Payroll and Employee Records
From Grade 10 (\$23,570 - \$37,710) to Grade 8 (\$20,110 - \$31,900)

The functions of the Assistant to the V.P. for Finance and University Services would encompass certain duties and responsibilities such as preparation of materials related to budget construction and appropriation requests previously performed by the Associate Vice President. The Assistant Manager, Telecommunications Services would manage the daily operations of the Telecommunications Department for the University of Iowa Hospitals and Clinics and otherwise assist the Manager on special projects as assigned. A departmental

reorganization resulted in reduced responsibilities and subsequent grade change for the Assistant Manager, University Payroll and Employee Records.

Each pay grade assignment was based on a point count evaluation, and funds for implementation are available from existing resources.

Vice President Ellis explained that the position of Associate Vice President would not be filled at the present time. The position of Assistant to the Vice President had been carried on the budget line but had not previously been filled. Line responsibilities of the Associate Vice President will be taken over temporarily by others.

MOTION: Mrs. Anderson moved that the board approve the changes in the Professional and Scientific Classification Plan outlined above. Mrs. Murphy seconded the motion, and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approval of the register for February 10 through February 28, 1986.

Highlights of the register are as follows:

CONSULTANT AGREEMENTS

University Hospitals--Telecommunication Main Switchroom Completion
Kimmel-Jensen-Wegerer-Wray, Rock Island, IL \$23,900

The university requested approval of Kimmel-Jensen-Wegerer-Wray to provide engineering services to renovate a portion of the hospital basement for a telecommunications switchroom. The total project cost was estimated to exceed \$250,000. This project has not yet received board approval. University Hospitals plans to present budget details and project description to the board in April 1986. The university requested authorization for the Executive Secretary to sign the agreement.

CONSTRUCTION CONTRACTS

The following contracts were awarded by the Executive Secretary on behalf of the board.

University Hospitals--Centralized Ambulatory Surgery Center
Merit Construction Company, Cedar Rapids, IA
Base Bid of \$1,547,400, plus Alt. #1 of 32,250, plus
Alt. #2 of 35,600, plus Alt. #3 of 7,850 =
TOTAL AWARD OF: (5 bids received) \$1,623,100

This project will complete a portion of the fifth floor of the Colloton Pavilion to create a centralized ambulatory surgery center. The project

involves construction of four outpatient operating rooms, recovery, examination, and support space, and future expansion capability of two additional operating rooms.

Main Power Plant Boiler Replacement Program--Phase I, Boiler #11 -
Contract 3 - Steam Generating Unit
Riley-Stoker Corp., Worcester, MA

Base Bid of \$8,095,445, plus Alt. #3 of \$25,000, and
Alt. #4 of \$50,000 =

TOTAL AWARD OF: (4 bids received) \$8,170,445

The project involved the replacement of an existing boiler with a new fluidized bed combustion boiler in the Main Power Plant of the university. This contract is for the acquisition and installation of a 170,000 lb/hr fluidized bed coal boiler with baghouse smoke stack and furnishing and erecting structural steel.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

The university reports acceptance of a construction contract on the John W. Colloton Pavilion (Phase B) - Penthouse Extension project. Final inspection of the work on the contract found that the contractor had carried out the terms of the contract in accordance with the plans and specifications. The university recommends that the work be accepted as complete.

The university requested approval to use institutional personnel for a portion of the construction of the 15 KV Electrical Loop I Extension -- Phase II project. The university estimated the cost of university manpower to accomplish this work at \$47,000. Last month, the university requested approval of this \$2,374,000 project.

The Regents capital procedures enable the institutions to undertake construction projects over \$25,000 using institutional staff with the approval of the board.

The university indicated that the primary and secondary electrical equipment would be installed by Physical Plant personnel after acquisition of the equipment by purchase orders.

Vice President Ellis indicated the use of institutional personnel would protect the integrity of the system and that costs would be higher if institutional personnel were not used because the institutional personnel would need to be present at the site if the work were performed by contractors.

Master Builders of Iowa and three trade associations were notified on Monday, March 3, of the university's interest in using institutional staff to accomplish this installation work. A letter was received from the Iowa Chapter of National Electrical Contractors Association expressing concern about the use of institutional personnel on the project.

Regent Duchen stated he wanted to be sure safety had not been minimized.

Vice President Ellis indicated safety was one reason they wanted to use institutional personnel.

MOTION: Mrs. Murphy moved that the board approve the Register of Capital Improvement Business Transactions as presented. Mrs. Anderson seconded the motion, and it passed unanimously.

Associate Director Runner stated the board had awarded a contract last month to A'Hearn Plumbing to provide mechanical work on the Human Biology Research Facility - Phase II. The contractor had initially expressed reservations about accepting the contract because of an error in their bid. A representative of the contractor informed the Board Office that A'Hearn would be going ahead and accepting the contract award.

RESIDENCE SYSTEM RATES. The Board Office made the following recommendations:

1. Approval of the proposed rate schedule for residence halls, beginning with the 1986-87 academic year.
2. Approval of the proposed rate schedule for family housing units, beginning with new and renewed leases May 1, 1986.
3. Acceptance of the proposed residence system preliminary budget for 1986-87, subject to further review and action when university operating budgets are approved for 1986-87.

The University of Iowa proposed a rate for a double occupancy room with full board of \$2,244 per occupant, an increase of \$117 or 5.5 percent over 1985-86. Increases of 3.6 to 4.3 percent were proposed for family housing units. The basic dormitory rates for single students in double occupancy units with 20-meal contracts for the past five years are shown below:

	<u>Rate</u>	<u>Change</u>
1982	\$1,912	4.3%
1983	1,976	3.3
1984	2,051	3.8
1985	2,127	3.7
1986 (Proposed)	2,244	5.5

The university reported income generated by the proposed rate increases was intended to support price inflation and salary increases and to protect future levels of voluntary reserves. Projected increases in expenditures included increases for required insurance and telecommunications and the

continued transition from partial general fund support to full residence system support for student life activities.

The University of Iowa reported its proposed rate increases average 5.3 percent for residence hall room and board operations. The proposed rates for multiple, triple, double and single occupancy rooms with full board range from \$1,960 to \$2,511 per academic year. The increases over 1985-86 range from 4.9 to 5.5 percent. Additional fees were assessed for rooms with air conditioning, private baths, kitchen units, or suites. The proposed rates for double occupancy rooms represent increases of 8.3 percent in the basic room rate and 2.8 percent in the annual board rate for a 20-meal contract.

The university also listed its proposed rates for summer session and additional board options. The proposed basic room rates include an Associated Residence Halls activity fee of \$4 per academic year.

Monthly rates for family housing are proposed to range from \$115.50 to \$228.75 with increases of \$4 to \$9.50 per month (3.6 to 4.3 percent). All rates include water and all units are unfurnished.

The university reported that members of the ARH (Associated Residence Halls) were involved in developing the rate proposal and that students recommended the distribution of rate increases by type of room. Information on the proposed rates for family housing has been provided to residents who will have the opportunity to comment in a "town meeting."

The university's budget proposal included a revised estimate of the residence system 1985-86 budget which indicated revenues slightly greater than previously expected and expenditures below the originally budgeted level. The revised budget provided \$2.0 million for voluntary reserves, an increase of \$490,479 over the original budget level.

The university proposed a preliminary revenue budget for 1986-87 of \$19,780,347. This included \$15,553,747 for operating expenditures with the remainder for debt service, reserves and university overhead. The proposed budget for 1986-87 represented a 1.9 percent increase in revenues and a 5.5 percent increase in operating expenditures in comparison to the revised budget estimate for 1985-86.

The university's budget projections were based on an anticipated decline in occupancy in single student housing of 191 students.

Budgeted increases for 1986-87 over the revised estimates for 1985-86 are shown as follows by expenditure category:

Proposed Change
1986-87 Over 1985-86

Salaries, Wages and Benefits	6.9%
Cost of Food or Goods Sold	-0.3
Repairs and Maintenance	3.1
Utilities	9.0
Other Operating Expense	8.1
TOTAL OPERATING EXPENDITURES	5.5%

Total revenues are projected to be \$19.78 million which includes increased income from contracts (2.9 percent) and interest (3.6 percent). Other Income was projected to decrease by 3.6 percent. The increase projected in contract income represented both the increase in rates and the projected decrease in occupancy.

The residence system reported total indebtedness as of June 30, 1985, of \$26,325,000 (outstanding principal only) and \$125,092 in the Hawkeye Park Loan Agreement. This included \$7.5 million in dormitory system bonds sold for the purchase and renovation of the Mayflower Apartments in 1983. Bond resolutions for outstanding bonds require minimum payments and transfers as shown below for 1986-87:

Debt Service (Principal and Interest--Sinking Fund)	\$2,032,270
Mandatory Transfers (Improvement Fund)	600,000

The bond resolutions also require that the ratio of net operating income to debt service due must exceed 1.5 for additional bonds to be issued. This ratio has consistently been well above 2.0 in recent years and is projected at 2.1 for 1986-87.

The proposed budget for 1986-87 indicated net revenues, after deducting expenditures for operations, debt service, and mandatory transfers, of \$1,594,330. This amount is available for voluntary reserves, including the operation and maintenance fund, the improvement fund and the surplus fund. The total voluntary reserve balance as of June 30, 1986, is projected to be \$5.96 million. This will represent approximately 30 percent of revenues, a level well in excess of the 10 percent generally accepted by the institutions as a minimum reserve standard.

Although the level of the voluntary reserves appeared to be more than adequate at this time, the university reported that a portion of its proposed rate increase for 1986-87 was necessary in order to avoid future deterioration of voluntary reserves.

Regent Murphy asked for an explanation of the mandatory and voluntary reserves and the Board Office concern about Iowa State's voluntary reserves being too low.

Vice President Ellis explained that there were two different categories of reserves--mandatory reserves which are required by bond resolutions and voluntary reserves which are required by good fiscal management. He stated that the reserves proposed were in line with what the university had done in prior years to maintain the financial integrity of the system.

Charles Frederiksen, Director of Residence, ISU, explained they had by intention and design reduced the voluntary reserves to approximately \$3 million and the estimate for June 30 is \$2.9 million.

Mr. Richey stated that Iowa State University had a very large residential and dining system, and the larger the system, the larger amount of reserves are needed. He said that the Board Office was suggesting that the level of the reserves be watched because of the size and age of the system.

Mr. Frederiksen said they were watching this level and may raise it over the next few years. He also indicated that it was difficult to sell a rate increase to students to increase the voluntary reserves.

Regent Duchen stated that the board always heard from the students on tuition issues and asked how the students were heard on the residence system rate issue.

Mr. Frederiksen stated they had a process where they shared very detailed information in February on individual cost centers within the residence system with the student leaders. The information is taken to the students before it is approved by the administration.

Regent Duchen asked if the accounting procedures allowed for a depreciation schedule.

Mr. Frederiksen stated they relied on their continuing contribution to voluntary reserves to take care of operating depreciation.

Vice President Ellis stated that their voluntary reserves were in effect a depreciation reserve. With regard to dorm rates, he stated, the student government leaders were consulted and go over the costs and budgets and the students themselves make the determination as to what the rates would be to bring about the revenue needed.

Regent Duchen asked where Iowa was in comparison with other like institutions.

Vice President Ellis stated the University of Iowa's rates were at the bottom of the Big 10.

Mr. Frederiksen stated Iowa State University's rates were at the bottom of the Big 8.

MOTION: Mr. Duchen moved that the board approve the actions as recommended. Mr. VanGilst seconded the motion, and it passed unanimously.

SALE OF \$9,000,000 IOWA MEMORIAL UNION REVENUE BONDS, SERIES SUI 1986.

In February 1986, the board authorized the University of Iowa and the Board Office to proceed with making arrangements for the sale of revenue bonds to renovate the Iowa Memorial Union. The board approved resolutions authorizing and providing for the issuance of the bonds, and directing the advertisement of the sale of the bonds.

These resolutions directed the advertisement for sale of \$9,000,000 Iowa Memorial Union Revenue Bonds, Series SUI 1986, and fixed the date for the sale of these bonds for March 13, 1986, at 1 p.m., in Gilchrist Hall of the University of Northern Iowa, in Cedar Falls, Iowa. The notice of the sale and the public hearing were advertised in the customary manner.

Acting President Harris called the meeting to order at 1 p.m., central standard time, on March 13, 1986. The roll being called there were present Percy Harris, acting president, in the chair, and the following named board members: Anderson, Duchen, Greig, Murphy, VanEkeren, and VanGilst. Regent Tyler and President McDonald were absent.

Acting President Harris stated the purpose of the meeting was to institute proceeding and take action for the issuance of Iowa Memorial Union Revenue Bonds, Series SUI 1986, in the principal amount of \$9,000,000 for the purpose of defraying the cost of remodeling and equipping the Iowa memorial Union on the campus of the University of Iowa.

Acting President Harris stated that the notice of the meeting for issuance of said bonds had been published in both the Des Moines Register and the Iowa City Press-Citizen on February 28, 1986.

Acting President Harris asked the executive secretary whether anyone had filed a petition, protest, appeal, or objection of any kind of this bond issue prior to the meeting. There being no objections, the acting president declared the public hearing closed.

Acting President Harris requested the filing of all sealed bids. After making a second and third call for the filing of sealed bids, Acting President Harris announced the closing of receipt of sealed bids.

Acting President Harris introduced Derek Engelen of Speer Financial, Inc., the board's bond consultant. He directed Mr. Engelen to open and read the sealed bids.

The bids were as follows:

	<u>Net Interest Rate</u>
Merrill Lynch Capital Markets and Associates	6.1643
John Nuveen & Co., Inc. and Associates	6.29
Smith Barney, Harris Upham & Co., Inc. and Associates	6.682924

Mr. Engelen indicated that all bids had good faith checks attached and were accurate. He stated that these were all exceptional rates and were the lowest interest received since June 1978 when \$12 million hospital bonds were issued at a rate of 6.02%. He recommended acceptance of the bid by Merrill Lynch.

MOTION:

This being the time and place fixed by published notice, the board took up consideration the matter of bids for the purchase of \$9,000,000 Iowa Memorial Union Revenue Bonds, Series SUI 1986. After all sealed bids had been opened, the results thereof were incorporated in a resolution entitled "Resolution providing for the sale and award of \$9,000,000 Iowa Memorial Union Revenue Bonds, Series SUI 1986, and approving and authorizing the agreement of such sale and award." Member VanEkeren moved that the said resolution be adopted, seconded by Member Greig, and the roll being called, the following voted:

AYE: Anderson, Duchen, Greig, Harris, Murphy, VanEkeren, VanGilst.

NAY: None.

ABSENT: McDonald, Tyler.

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

MOTION:

The board took up for consideration the matter of authorizing and issuing \$9,000,000 Iowa Memorial Union Revenue Bonds, Series SUI 1986. Whereupon Member Murphy introduced and caused to be read a resolution entitled "A resolution authorizing and providing for the issuance and securing the payment of \$9,000,000 Iowa Memorial Union

Revenue Bonds, Series SUI 1986, for the purpose of defraying the cost of constructing alterations and improvements to the Iowa Memorial Union on the campus of the State University of Iowa." and moved that said resolution be adopted. Member Anderson seconded the motion and after due consideration by the board, the acting president put the question on the motion and upon the roll being called, the following voted:

AYE: Anderson, Duchen, Greig, Harris, Murphy, VanEkeren, VanGilst.

NAY: None.

ABSENT: McDonald, Tyler.

MOTION:

Mrs. Anderson moved that all certified checks submitted by bidders, except that of the best bid, be returned. Mr. Duchen seconded the motion, and it passed unanimously.

RESIDENCE SYSTEM FUND TRANSFER. The Board Office recommended that the board authorize transfer of \$1,374,000 from the residence system Surplus Fund to the residence system Improvement Fund.

Existing bond resolutions call for \$600,000 in mandatory transfers from operating revenues to the Dormitory Improvement Fund on an annual basis. Originally, in 1963, the mandatory transfer was \$480,000. The purchase of the Mayflower Apartments in 1983 resulted in an additional \$120,000 mandatory transfer to the Improvement Fund.

Over the years, partly from inflation and partly from the aging of the buildings, the mandatory transfer has proved inadequate to meet continuing renovation and improvement needs.

The university estimated its repairs, replacements, and renovations from the Improvement Fund for FY 1985-86 at \$1.9 million. The mandatory transfers of \$600,000 and the requested approval of an additional \$1,374,000 transfer is sufficient to cover the current year's maintenance and improvement needs. Last year the board approved a transfer of \$2,166,000 for similar needs. The improvements proposed by the university are summarized on the following page:

<u>FY 1986 Planned Improvements and Renovations</u>	<u>Amount</u>
Resurface Parking Lots	\$ 30,000
Caulking & Waterproofing	35,000
Repair Roofs	35,000
Replace Water Pipes	61,000
Repair Mechanical/Heating Systems	57,000
Painting, Plastering, & Wall Washing	141,000
Safety Alterations	151,000
Miscellaneous Projects Under \$25,000	316,000
Equipment & Furnishings Replacement	846,000
Capital Improvements--Mayflower Apts.	<u>233,000</u>
TOTAL	\$1,905,000

The university's residence system annual report for FY 1985 showed a rounded Surplus Fund balance of \$3,069,000. The university reported that the Surplus Fund should show a FY 1986 year end balance of approximately \$3,312,000 which was felt to be reasonable and prudent, given the age of the residence system buildings and the scope of operations.

MOTION:

Mrs. Anderson moved that the board approve the Residence System Fund Transfer as outlined above. Miss VanEkeren seconded the motion, and it passed unanimously.

LEASES. The Board Office recommended approval of the following leases: (a) with T.V.L. Corporation for the corporation's use of approximately 275 square feet of office space (Room No. 227) in the Technology Innovation Center on the Oakdale Campus for a term of one year, beginning April 1, 1986, at an annual rent of \$1,650; and (b) with St. Joseph Hospital, Ottumwa, for the university's use of approximately 612 square feet of office and clinical space (Rooms 203, 204, 205, and 206) in the building located at 317 Vanness Avenue, Ottumwa, at an annual rent of \$2,760 for the term April 1, 1986, to March 31, 1987.

The Board Office explained that the T.V.L. Corporation was an enterprise which presently was a tenant in another location in the Technology Innovation Center and had the need for larger space. The space at the TIC is provided to the companies at a rental rate of \$6 per square per year and includes utilities and services.

Vice President Ellis indicated the lease renewal with the T.V.L. Corporation is an example of the effort of the university to assist in the economic development of the state. He noted that T.V.L. was a minority-owned business and the only one in the TIC. He said that the university had been attempt

ing, without any legislation or mandate, to bring assistance to minority and women owned businesses.

The Board Office explained that the board currently rents Rooms Nos. 203, 204, and 205 at the St. Joseph Hospital for the Southeast Regional Office of Iowa Specialized Child Health Services. The university has the need for additional clinical space for the program. The university will pay \$360.12 additional per year to add this room. The effect is that the rate the university pays per square foot per year would be decreased from \$5.23 to \$4.51 which represents a 13.8 percent decrease.

Pursuant to Executive Order No. 44, the university considered vacant space in school houses in Ottumwa. The space available at Washington Junior High School and at Fairview Elementary School greatly exceeded the needs of the program and did not meet the program needs of accessibility to the hospital's laboratories for special tests and did not provide adequate accessibility for the handicapped.

MOTION:

Mrs. Anderson moved that the board approve the leases as follows: (a) with T.V.L. Corporation for the corporation's use of approximately 275 square feet of office space (Room No. 227) in the Technology Innovation Center on the Oakdale Campus for a term of one year, beginning April 1, 1986, at an annual rent of \$1,650; and (b) with St. Joseph Hospital, Ottumwa, for the university's use of approximately 612 square feet of office and clinical space (Rooms 203, 204, 205, and 206) in the building located at 317 Vanness Avenue, Ottumwa, at an annual rent of \$2,760 for the term April 1, 1986, to March 31, 1987. Mrs. Murphy seconded the motion, and upon the roll being called, the following voted:
AYE: Anderson, Duchon, Greig, Harris, Murphy, VanEkeren, VanGilst.
NAY: None.
ABSENT: McDonald, Tyler.

Vice President Ellis distributed literature describing the University of Iowa Central Research Support Facilities. He indicated that the facilities were available on certain conditions to the private sector. He stated the literature was an effort on the part of the university to communicate to the rest of the state the facilities that are available at the university and hoped to give the material wide circulation.

STUDENT HEALTH SERVICE FEE. The Board Office recommended consideration of this item be deferred until the April board meeting to allow time for thorough analysis and interinstitutional consultation.

CORRECTED

The university requested board approval to assess a Student Health Services fee beginning with the fall semester of 1986. The fee requested by the university was proposed to be \$27.92 per semester and \$13.96 for the summer session. The proposed fee would be mandatory for all summer session students and for students enrolled for more than four semester hours during the fall or spring semester. The fee would be voluntary for students during the regular academic year enrolled for four or fewer semester hours. The university tuition and fees currently used for student health services amount to \$1,167,200.

The Board Office explained the effect of the university proposal was to increase mandatory tuition and fees by \$55.84 in FY 1987 over the additional 6.5 percent approved by the board in October. It would release about \$1 million from general tuition income to increase the general university budget.

Presently the university student health services are supported as follows:

General Fund	\$908,500
Student Activity Fees	258,700
Fees for Service	<u>205,000</u>
TOTAL Health Services Revenues	\$1,372,200

The total mandatory tuition and fees are the same whether the student health fee is broken out or not. However, in the university's docket material, information was provided that its method of funding health services was atypical as compared to other Big Ten institutions.

The university's proposal provided that \$1,644,000 in projected FY 1987 health service costs would be funded exclusively through \$1,437,000 in mandatory student fee income and \$207,000 in fee for service income. No university general fund support would be expected under this proposal, thus releasing approximately \$1 million for other uses. The tuition-based student activity fee support for health services would be redirected for other student activities.

Student leaders responded to the university's proposal. The university reports it agreed with the student government leaders on the following points: (1) the fee would be included in calculations for financial aid; (2) implementation of the fee would not be construed as a precedent for future fees; (3) the funds currently allocated from tuition-based student activity fees would be reallocated among existing student activities and student services balances; and (4) the fee would not be assessed to students taking four or fewer semester hours during the regular academic year but would be voluntary to those students. The university further reported that it had not been able to agree with the student leaders' request that activity fee balances be indexed to inflation beginning in FY 1987. The university reported that it has under consideration the student leaders' proposal to provide dependent spouse and children access to student health services.

Because of the significance of the university's request and the interinstitutional implications, the Board Office recommended that the request be deferred. Consideration by the board would most appropriately be done prior to and in conjunction with review of preliminary budgets at the May board meeting. This would also allow the board to evaluate this request in conjunction with consideration of a tuition surcharge in response to the possible underfunding of tuition replacement appropriations. Released general fund support for health services would be approximately equal to projected tuition replacement underfunding.

Vice President Ellis stated the university had no objection to postponing consideration of the proposed fee. He stated that for some years the student health services had been heavily subsidized out of the general education fund and only a small portion was paid out of the mandatory student fee. He indicated the university was unusual in the Big 10 in not charging directly for student health services.

President Freedman stated that the student organization proposed to use the tuition-based support currently directed to the health services to set up two funds. One would be \$20,000 which they would like to have designated as 20 - \$1,000 scholarships, and the other would begin to build funds for an endowed professorship serving the core educational requirements.

Regent Anderson asked Mr. Richey why the Board Office had reservations about the fee.

Mr. Richey stated that the fee was a tuition and mandatory fee increase and had some relationship to tuition in the other institutions as well as well relationship to the Iowa tuition grant program for private colleges. He said the board needed to make its tuition and mandatory fee decisions as soon as possible because of the impact on the tuition grant program.

Regent VanEkeren asked if it would be possible to make the fee optional.

Vice President Ellis stated that it was possible but that the costs would be higher because of self-selection. He noted that assessment of all students was the pattern at the other universities. He stated he felt the \$27.92 per semester to provide basic health services was a tremendous bargain.

Regent Harris stated that the President Freedman had expressed his appreciation to the students for their suggestions for the uses of the student activity fee and felt that something should go forth from the board also expressing appreciation.

Regent Greig stated that in the last year the students had really helped and thought a lot about the university. He said that was something the board should blow its own horn about--how good the students were.

ACTION: Acting President Harris stated consideration of the Student Health Services Fee would be deferred until a later meeting.

Acting president Harris then asked the board members and institutional executives if there were additional matters to be raised for discussion pertaining to the State University of Iowa. There were none.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Thursday, March 13, 1986.

REGISTER OF PERSONNEL CHANGES. The register for the month of February was approved as a part of the consent docket.

PHASED RETIREMENT REQUEST. The phased retirement request of Dr. Joseph A. Stritzel, Professor of Agronomy, effective August 1, 1986, was approved as a part of the consent docket.

Dr. Stritzel proposes to reduce his appointment to half time until full retirement in December 1991. The university reported net savings of approximately \$14,952 for the first year would be used for instructional purposes and to offset budget reductions if mandated. Dr. Stritzel meet both the age and service requirements for eligibility for phased retirement.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approval of the register for the period February 20 through March 13, 1986.

Highlights of the register are as follows:

PROJECT DESCRIPTIONS AND BUDGETS

Iowa State Center Scoreboard and Marquee

Source of Funds: Advertising Sponsors, \$350,000 - \$525,000
Field House-Auditorium Revenue Bond Construction Fund,
Field House-Auditorium Surplus Funds and 1988 Class Gift
Range of \$350,000 - \$175,000

TOTAL \$700,000

The amended project budget reflected the award of the contract for the Outdoor Message Center to American Sign and Indicator Corporation for \$91,000.

CONSULTANT AGREEMENTS

Iowa State University Research Park

Stanley Consultants, Inc., Muscatine, Iowa
(Engineering Services)

\$190,140

The agreement involved preliminary master planning, site development, and detailed site design for the Gateway Corners and the Applied Science Center sites. In addition, the firm will develop covenants for the research parks that will be presented for adoption by Iowa State University. Source of funds for the consultant contract will be earnings from Treasurer's Temporary Investment income, or anticipated support from the Ames, Iowa Economic Development Commission, and the Iowa High Technology Council.

In January, the board authorized the university to negotiate a consulting agreement with Stanley Consultants, subject to the availability of non-general funds, to pay for the consulting contract.

Utilities--Replace Steam Generators No. 1 and 2
Des Moines Health Associates Limited, Des Moines, IA \$21,845

The university reported an agreement with Des Moines Health Associates Limited, to prepare bid documents for removal of asbestos materials from existing power plant boilers. The cost of the consultant contract and the construction work will be financed from proceeds of the utility system revenue bonds.

Gilman Hall Renovation--Phase II
Wehner, Pattschull and Pfiffner, Iowa City, Iowa Increase \$50,000
(Design Development Services)

The university requested approval of an amendment to the agreement with Wehner, Pattschull and Pfiffner, for completion of the design development services in the second stage of the three stage project. In July, 1985, the board approved an agreement with this firm to prepare contract documents for Stage 1, which relocates Physical Chemistry Laboratories. The initial phase has been bid and is currently under construction.

The university would like to proceed with planning for Stage 2 of the project, which involves renovating the southeast wing of Gilman Hall. Initiating the design at this time will permit the university to proceed more quickly with construction of the Gilman Hall Renovation project when capital funding becomes available. With approval of this amendment, the new amount of the consultant agreement is \$159,470.

Utilities--Replace Steam Generators No. 1 and 2
Burns and McDonnell Engineering Company, Kansas City, MO Increase \$1,610,000
(Engineering Services)

The university requested approval of an amendment to the agreement with Burns and McDonnell Engineering Company to provide engineering design services on this project. The original agreement covered design services necessary to prepare construction documents for installation of two 170,000 lb/hr fluidized bed boilers. Last month, the university presented an amendment that covered design services through the remainder of the design phase. Last

rejected those bids, and the university reviewed the technical requirements of the message centers and reconfigured the project to obtain the desired technical capabilities within the available budget.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

The university reported completion of the Mechanical Engineering/Engineering Science and Mechanics Building project during the reporting period. Inspection of the work found that the contractor complied with plans and specifications. The university recommended that the work be accepted as complete.

MOTION:

Mrs. Anderson moved that the board approve the Register of Capital Improvement Business Transactions as presented. Mr. Duchon seconded the motion, and it passed unanimously.

LEASE. The Board Office recommended approval of the lease with Robert W. Sackett for the use of approximately 1,751 square feet of office space in the building located at 1823 Highway Boulevard, Spencer, Iowa, at a rental rate of \$5.37 per square foot per year, for nine months beginning April 1, 1986, and ending December 30, 1986, at a rent for the term of approximately \$7,052.15.

The Board Office explained that the space has been used for the Spencer Area Extension Office since 1970. A five-year lease for the space expired on June 30, 1985. The board and the owner have, on three previous occasions, extended the lease for three-month period. The last extension, approved in December of last year, will expire March 31. The university had sought to have the landlord provide more space for the office. It was believed that the extensions were sufficient time for negotiations for a new lease with increased space. However, such negotiations did not result in a new lease with increased space. During this last extension period, the university determined that the uncertainty of funding had made both increased space and a long-term lease undesirable for the university. Therefore, the university negotiated this lease for the same space it had been using and for a term that encompasses the remainder of this calendar year only.

MOTION:

Mr. VanGilst moved that the board approve the lease as follows: with Robert W. Sackett for the use of approximately 1,1751 square feet of office space in the building located at 1823 Highway Boulevard, Spencer, Iowa, at a rental rate of \$5.37 per square foot per year, for nine months beginning April 1, 1986, and ending December 30, 1986, at a rent for the term of approximately \$7,052.15. Mr. Greig seconded the motion, and upon the roll being called, the following voted:

AYE: Anderson, Duchen, Greig, Harris,
Murphy, VanEkeren, VanGilst.
NAY: None.
ABSENT: McDonald, Tyler.

PRELIMINARY BUDGET ESTIMATES AND PROPOSED RESIDENCE SYSTEM ROOM, BOARD, AND APARTMENT HOUSING RATES, 1986-87. The Board Office made the following recommendations:

1. Approval of the proposed rate schedule for residence halls, to be effective June 1, 1986.
2. Approval of the proposed rate schedule for family/single student apartment housing units, to be effective July 1, 1986.
3. Acceptance of the proposed residence system preliminary budget for 1986-87, subject to further review and action when university operating budgets are approved for 1986-87.

Iowa State University proposed a basic dormitory rate with full board of \$2,040 per occupant, an increase of \$122 or 6.4 percent over 1985-86. Increases of 5.4 to 12.2 percent were proposed for family/single student apartment housing units. The basic dormitory rates for single students in double occupancy units with 20-meal contracts for the past five years are shown below:

	<u>Rate</u>	<u>% of Change</u>
1982	\$1,762	7.4%
1983	1,812	2.8
1984	1,848	2.0
1985	1,918	3.8
1986 (Proposed)	2,040	6.4

The university reported that income generated by the proposed rate increases was intended to support expected increases in expenditures, without any increases in funds to voluntary reserves. Significant increases are anticipated in costs for building and furnishings insurance, the enhanced telecommunication system, and tuition payments to the Ames Community School District for children living on campus. The university projected a slight decrease in occupancy in 1986-87.

At Iowa State University, the basic dormitory rate for a single undergraduate student is identical for triple, double, or single occupancy rooms. In a survey conducted in 1981, residence hall students in all types of rooms favored the one-rate plan. The university indicated that it intends to repeat the survey next year to continue to solicit resident feedback on room rate plans.

The university's proposed rates for the undergraduate residence halls represented increases of 12.6 percent in the annual room rate and 1.3 percent in the annual board rate for a 20-meal contract. Activity fees are assessed and collected by the student government at Iowa State University and are reported to range from \$9 to \$29 per academic year. These fees are in addition to the room rates in the tables.

Room rates in Buchanan Hall for graduate and adult students are proposed to be increased by 11.1 percent. Monthly rates in family apartments range from \$101 to \$218 with proposed increases of 6.9 to 12.2 percent. The rates for single students in university apartments are proposed to be \$122 per month for two single students in Pammel Court and \$335 per month for four single students in Schilleter Village Apartments. Increases proposed in these rates are 9.9 and 5.4 percent.

The university reported that student leaders in all university housing areas were included in the review process. A handout on the rate proposal was distributed and articles were carried in the student newspaper. The university reported that student leaders accepted the rate proposal and recognized the necessity for rate increases. The Student Apartment Council recommended the method of distribution of increases over the different apartment rental areas.

The university proposed a preliminary residence system budget for 1986-87 of \$24,773,860. This included \$21,373,860 for expenditures for operations with the remainder for debt service, reserves and university overhead payments. The university also reported a revised estimate of the 1985-86 residence system budget which indicated revenues slightly greater than previously expected and expenditures somewhat less.

The university's proposed budget is based on projections of a slight decrease in occupancy in both single student and family housing.

The proposed budget for 1986-87 represented a 3.2 percent increase in revenues and a 6.6 percent increase in operating expenditures in comparison with the revised budget estimate for 1985-86. Budgeted increases for 1986-87 over the revised estimate for 1985-86 by expenditure category are shown on the following page:

	<u>Proposed Change</u> <u>1986-87 Over 1985-86</u>
Salaries, Wages and Benefits	5.0%
Food Costs	2.5
Repairs and Maintenance	4.0
Utilities	4.0
Other Operating Expense	19.6
 TOTAL OPERATING EXPENDITURES	 6.6%

Total revenues of \$24.8 million were projected which included increased income from contracts of 6.4 percent. Interest income was expected to decrease by 12.5 percent and Other Income was projected to decline by 19.3 percent.

The residence system reported total indebtedness (principal only) as of June 30, 1985 of \$22,800,000. Bond resolutions for outstanding bonds require minimum payments and transfers as shown below for 1986-87:

Debt Service (Principal and Interest -- Sinking Fund)	\$1,797,520
Mandatory Transfers (Bond Reserve Fund and Improvement Fund)	500,000

The bond resolutions require that the ratio of net operating income to debt service due must be budgeted to exceed 1.5 for additional bonds to be issued. During the past five years, this ratio has consistently been above 2.0. It is projected to be 1.9 for 1986-87 but will still provide an acceptable margin.

The proposed budget for 1986-87 indicated net revenues after deducting expenditures for operations, debt service and mandatory transfers of \$1,102,480. This amount was available for voluntary reserves, including the Improvement Fund and the Surplus Fund. The total voluntary reserve balance as of June 30, 1987 is projected to be \$2.9 million. This will represent 11.7 percent of anticipated revenues and maintains the voluntary reserves at more than 10 percent of revenues, a level which is generally accepted by the institutions as a minimum reserve standard. It is somewhat below the university's goal of approximately \$3.0 million in Voluntary Reserves, and the level should be watched carefully.

Major repairs, replacements and renovations supported by Voluntary Reserves are projected to total \$2,635,000 in 1986-87 in addition to repairs from current revenues of \$1,011,160.

MOTION:

Mrs. Murphy moved that the board approve the actions recommended above. Miss VanEkeren seconded the motion, and it passed unanimously.

INDUSTRIAL SECURITY AGREEMENT. The Board Office approval of the resolution.

The Board Office explained that federal regulations permit the adoptions of such resolutions so that boards of trustees will affirm that they will not require access to classified information in the possession of the institution and so that the board members do not occupy positions that would enable them to affect adversely the organizations' policies and practices in the performance of such contracts. The adoption of the resolution was necessary to allow the university to continue to keep its status as a "cleared facility" with the federal government.

MOTION:

Mrs. Murphy moved that the board approve the Industrial Security Agreement. Mrs. Anderson seconded the motion, and it passed unanimously.

Acting president Harris then asked the board members and institutional executives if there were additional matters to be raised for discussion pertaining to Iowa State University. There were none.

UNIVERSITY OF NORTHERN IOWA

The following business concerning the University of Northern Iowa was transacted on Thursday, March 13, 1986.

REGISTER OF PERSONNEL CHANGES. The register for February was approved as a part of the consent docket.

PROMOTION AND TENURE RECOMMENDATIONS. The promotion and tenure recommendations were approved as a part of the consent docket.

The university submitted its request for 27 promotions, including the promotion of 13 persons to the rank of professor, 13 persons to the rank of associate professor and one person to the rank of assistant professor without tenure. Ten persons have been recommended for tenure without promotion including three associate professors and seven assistant professors. Five of the associate professors are being promoted with tenure. Seven of the persons being promoted to full professor already had tenure as did seven of the persons being promoted to associate professor. One person is being promoted to associate professor without tenure. There are 23 males and four females recommended for promotion.

REVISED ACADEMIC CALENDAR, SUMMER SESSION 1987. The Board Office recommended approval of the revised academic calendar for the summer session 1987.

The Board Office explained in July 1983 the board approved a summer session 1987 academic calendar for the university. In July 1985 the university reported that it was reconsidering the calendars for the summer sessions based on legislation which mandated that K-12 school systems must not begin their school year before September 1.

The university studied the impact of the change in legislation and determined that the first summer session for the university should begin a few days later than was previously approved by the board. The revised calendar has been approved by the faculty senate and is consistent with negotiated holidays for merit employees.

MOTION:

Mr. VanGilst moved that the board approve the academic calendar as revised. Miss VanEkeren seconded the motion, and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approval of the register for the period of February 4 through February 26, 1986.

Highlights of the register are as follows:

PROJECT DESCRIPTION AND BUDGETS

Institutional Roads--Reconstruction of Campus Street and Wisconsin Street

Source of Funds: State Park Institutional Road Funds

Budget: \$175,000

This project is a part of the Regents' 1986-91 Institutional Road program which contains three road reconstruction projects for the University of Northern Iowa to be accomplished in calendar year 1986. The largest of these projects, the reconstruction of Wisconsin Street, was to be phased over a three-year period, with the second phase scheduled for 1988. As a result of subsequent planning, the university requested approval to proceed with reconstruction of both phases of the Wisconsin Street project and reconstruction of Campus Street. The change does not affect projects of the other institutions.

Because the roadway construction will be financed from State Parks and Institutional Road Funds, the Iowa Department of Transportation participates in authorizing the design, construction, and construction management of the project. Therefore, the university requested approval of an agreement with IDOT.

The university is in the process of negotiating a design agreement with an engineering firm to provide services on this project. The agreement will be subject to approval and concurrence by the Iowa Department of Transportation.

MOTION:

Mr. Duchon moved that the Register of Capital Improvement Business Transactions be approved as submitted. Mr. VanGilst seconded the motion, and it passed unanimously.

PRELIMINARY BUDGET ESTIMATES AND PROPOSED RESIDENCE SYSTEM ROOM, BOARD AND APARTMENT HOUSING RATES, 1986-87. The Board Office made the following recommendations:

1. Approval of the proposed rate schedule for residence hall contracts, effective with the fall semester 1986.
2. Approval of the proposed rate schedule for apartment housing contracts, effective July 1, 1986.

3. Acceptance of the proposed residence system preliminary budget for 1986-87, subject to further review and action when university operating budget are approved for 1986-87.

The University of Northern Iowa proposed a rate for a double occupancy room with full board of \$1,950 per occupant, an increase of \$56 or 3.0 percent over 1985-86. No increases were proposed in apartment housing rates.

Income generated by the rate increases is expected to support inflationary increases and salary increases while maintaining contributions to the voluntary reserves. Occupancy is expected to remain at the same level as in 1985-86.

The basic rate for double occupancy at the University of Northern Iowa remained slightly below comparable rates at the University of Iowa and Iowa State University. The proposed rates represented increases of 3.1 percent in the annual room charge for double occupancy and 2.9 percent in the annual board rate for a 20-meal contract. The rate proposed for single occupancy with a 20-meal board contract was \$2,400, an increase of \$62 or 2.7 percent over 1985-86.

The university also reported rates proposed for room only options in Bartlett Hall, board only options, partial board credits and summer session rates. An \$8 residence hall activity fee was added to each of the rates for the academic year.

The university recommended that monthly rates for apartment housing be held constant for the second year in a row. These rates range from \$146 to \$220 per month.

The university reported that information concerning the proposed 1986-87 residence hall rates had been shared with the Residence Hall Association and that the RHA passed a resolution in support of the proposed rates. The university also indicated that it would attempt to begin the rate-setting process at an earlier date in future years in order to provide additional opportunity for student review and comment prior to consideration of the rates by the Board of Regents.

The university's budget proposal included a revised estimate for the 1985-86 residence system budget which indicated both revenues and expenditures greater than had been anticipated at the time of budget approval one year ago. The university indicated that it would be submitting a request for a budget ceiling change for consideration at a future meeting.

The University of Northern Iowa proposed a preliminary residence system revenue budget for 1986-87 of \$11,250,000. This budget included \$9,062,500 in operating expenditures with the remainder for debt service, reserves and university overhead payments. The proposed budget represented an overall 1.2

percent increase in revenues and a 3.5 percent increase in expenditures for operations, compared to the university's revised 1985-86 budget estimates.

Budgeted increases for 1986-87 over the revised estimate for 1985-86 are shown by expenditure category as follows:

	<u>Proposed Change</u> <u>1986-87 Over 1985-86</u>
Salaries, Wages and Benefits	5.4%
Cost of Food Sold	3.1
Repairs and Maintenance	1.1
Utilities	0.6
Other Operating Expense	1.9
 TOTAL OPERATING EXPENDITURES	 3.5%

Since there were substantial increases in some budget categories in the revised 1985-86 budget over actual 1984-85 expenditures, the small increases budgeted for 1986-87 may be regarded as representing a reasonable two-year change. The projected utilities budget, estimated to be at approximately the same level as in 1984-85, should be watched closely during the year.

Total revenues of \$11.25 million included income from contracts, projected to increase by 2.7 percent; interest, projected to decrease by 10.5 percent; and other income, projected to decrease by 11.9 percent. The Other Income category included conference housing and meals, rentals, vending commissions, sales of equipment, and other miscellaneous income categories.

The residence system reported total indebtedness (principal only) as of June 30, 1985, of \$10,940,000. Bond resolutions for outstanding bonds require minimum payments and transfers as follows for 1986-87:

Debt Service (Principal and Interest--Sinking Fund)	\$765,824
Mandatory Transfers to Reserves (Bond Reserve Fund and Improvement Fund)	330,000

The bond resolutions also require that the ratio of net operating income to debt service due must be budgeted to exceed 1.5 for additional bonds to be issued. The ratio has been 2.5 or greater in recent years and is 2.9 in the projected budget for 1986-87.

The 1986-87 proposed budget indicated net revenues after deducting expenditures for operations, debt service and mandatory transfers of \$1,091,676. This amount is available for voluntary reserves, including the improvement fund and the surplus fund. The total Voluntary Reserves balance as of June 30, 1987 is projected to be \$4.1 million. This amount represents 36 percent of revenues, well above the minimum standard of 10 percent generally regarded by the institutions as prudent.

The university's proposed budget was based on projections of level occupancy in single student housing and a modest increase in apartment housing.

MOTION: Miss VanEkeren moved that the board approve the actions as recommended. Mr. VanGilst seconded the motion, and it passed unanimously.

LEASES. The Board Office recommended approval of three farms leases for the benefit of the university with tenant Maynard Henderson for the period March 31, 1986, to December 31, 1986, which includes two leases for two parcels of land of approximately 90.8 combined acres at a rent for the term of \$10,169.60, and a third lease for approximately 16.8 acres at a rent for the term of \$1,780.80.

The Board Office explained that each required the land be farmed using a herbicide (if any was used) that will have no carryover effect for crops planted in 1987.

The 90.8 acre parcels of land is at the south edge of the campus and is known as the Upland Forest Preserve. The land is part of a larger parcel from which has been set aside approximately 12 acres, at the request of the Biological Preserves Committee, and land on which the Dome Observatory are located. The rental rate of \$112 per acre is a decrease of \$38 per acre over the preceding lease.

The 16.8 acre parcel is west of the UNI-Dome and is intended for future use of the Department of Physical Education. The rental rate of \$106 per acre is \$44 per acre lower than the preceding lease.

Based on the conditions of the Iowa farm economy, these leases, secured through the bid process, appear to be fair and equitable, according to the Board Office.

MOTION: Mr. Duchen moved that the board approve the leases with tenant Maynard Henderson for the period March 31, 1986, to December 31, 1986, which includes two leases for two parcels of land of approximately 90.8 combined acres at a rent for the term of \$10,169.60, and a third lease for approximately 16.8 acres at a rent for the term of \$1,780.80. Mrs. Murphy seconded the motion, and upon the roll being called, the following voted:
AYE: Anderson, Duchen, Harris, Murphy, VanEkeren, VanGilst.
NAY: None.
ABSENT: Greig, McDonald, Tyler.

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

Regent Murphy stated the two winners of the Des Moines Symphony came from the University of Northern Iowa.

Regent VanGilst stated he was concerned about the legislature considering taking away the per diem paid to board members. He stated it did not bother him personally but that it could be a hardship in the future on some board members. He stated he felt it cheapened the board if the members could not even charge per diem. He asked that the three legislative liaisons work to see that the current statute is not changed.

Regent Harris stated he felt withdrawal of the per diem would make certain that people in the middle income categories would be eliminated from serving on the board.

Regent Duchen expressed agreement with the remarks made by Regents VanGilst and Harris.

MOTION: Mr. Duchen moved that the board express strong concern and opposition of the proposal to eliminate per diem paid to board members to the legislature. Mr. VanGilst seconded the motion, and it passed unanimously.

Mr. Richey stated that the message would be conveyed to the legislature and the liaisons.

EXECUTIVE SESSION. Acting President Harris requested that the board enter into executive session to discuss the purchase of a particular piece of real estate pursuant to Chapter 21.5, Subsection 1, paragraph j of the Code of Iowa. On a roll call vote as to whether to enter into executive session, the following voted:

AYE: Anderson, Duchen, Greig, Harris, Murphy, VanEkeren, VanGilst.

NAY: None.

ABSENT: Tyler, McDonald.

The board, having voted by at least two-thirds majority, resolved to meet in executive session beginning at 2:09 p.m. and arose therefrom at 2:20 p.m. on March 13, 1986.

IOWA SCHOOL FOR THE DEAF

The following business concerning the Iowa School for the Deaf was transacted on Thursday, March 13, 1986.

REGISTER OF PERSONNEL CHANGES. The register for the month of February was approved as apart of the consent docket.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The register contained no entries.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Thursday, March 13, 1986.

REGISTER OF PERSONNEL CHANGES. The register for the period of January 26 through February 22, 1986, was approved as a part of the consent docket.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The register contained no entries.

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 1:55 p.m. on Thursday, March 13, 1986.


R. Wayne Richey
Executive Secretary