

The State Board of Regents met at Iowa State University, Ames, Iowa, on Thursday, March 22, 1984. Those present were:

Members of the State Board of Regents:

Mr. Brownlee, President	All Sessions
Mrs. Anderson	All Sessions
Mr. Duchen	All Sessions
Dr. Harris	All Sessions
Mrs. Jorgensen	All Sessions
Mr. McDonald	Excused
Mrs. Murphy	All Sessions
Mr. Neu	All Sessions

Office of the State Board of Regents:

Executive Secretary Richey	Excused
Director Barak	All Sessions
Director Gross	All Sessions
Director Maxwell	All Sessions
Director Volm	All Sessions
Director Wright	All Sessions
Ms. Peters, Secretary	All Sessions

State University of Iowa:

President Freedman	Exc. 2:43 p.m.
Vice President Ellis	Exc. 2:43 p.m.
Vice President Remington	Exc. 2:43 p.m.
Associate Vice President Small	Exc. 2:43 p.m.
Assistant to President Mears	Exc. 2:43 p.m.
Director Jensen	Exc. 2:43 p.m.

Iowa State University:

President Parks	All Sessions
Vice President Christensen	All Sessions
Vice President Hamilton	All Sessions
Vice President Moore	All Sessions

University of Northern Iowa

President Curris	Exc. 1:28 p.m.
Provost Martin	Exc. 1:28 p.m.
Vice President Conner	Exc. 1:28 p.m.
Director Kelly	Exc. 1:28 p.m.

Iowa School for the Deaf:

Superintendent Giangreco	Exc. 1:15 p.m.
Business Manager Kuehnhold	Exc. 1:15 p.m.

Iowa Braille and Sight Saving School:

Superintendent DeMott	Exc. 1:17 p.m.
Business Manager Berry	Exc. 1:17 p.m.

## GENERAL

The following business pertaining to general or miscellaneous items was transacted on Thursday, March 22, 1984.

President Brownlee announced that Regent McDonald was excused.

APPROVAL OF MINUTES. The minutes of the February 15-16, 1984, board meeting were approved as distributed by general consent of the board. President Brownlee stated that any additions or nonsubstantive changes could be turned in to the secretary.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. a. Academic Minor Programs at the University of Iowa. It was recommended that the board approve the academic minor programs at the University of Iowa in the following areas: 1) Latin American Studies, 2) Women's Studies, and 3) Aging Studies, pending favorable responses from the Iowa Coordinating Council for Post-High School Education.

At its February meeting, the Board of Regents referred a request for three academic minor programs to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The Interinstitutional Committee completed its review and recommended approval of all three academic minor programs.

The Board Office noted that these three academic minor programs were being brought to the board for approval following the adoption of an agreement between the Board Office and the Interinstitutional Committee for the reporting of new academic minor programs in areas where board approved majors are not currently offered. This agreement was reached because of the possibility that academic minors may develop into academic major programs. By reporting these programs to the board at an early point in time, the board has an opportunity to react to such programs and indicate any concerns it might have.

Latin American Studies. The minor in Latin American Studies is an interdisciplinary undergraduate program which focuses on the history, politics, social organization, economy, art, and literature of Latin America. It provides a way in which students who are interested in Latin America can explore their interest in a coordinated way by taking advantage of courses offered in various departments at the university.

Women's Studies. The Women's Studies program is a multi-disciplinary program focusing on the study of women in culture and history. By taking Women's Studies courses, students become acquainted with the rich and growing knowledge about women which is emerging in the Humanities and Social Sciences.

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Since one of the goals of the Women's Studies program is to encourage the incorporation of curricular material on women in the disciplines, the university's minor provides a vital link in the process.

Aging Studies. The proposed new minor in Aging Studies is designed to provide students in various fields an opportunity for focusing on all aspects of the aging process and the needs of the elderly in our society. The minor could be pursued by undergraduate students in any of the undergraduate colleges of the university. Due to the multi-disciplinary aspect of this program, the proposed Aging Studies minor would draw upon the expertise that already exists in many departments and colleges of the university.

The university requested retroactive approval of the Latin American Studies and Women's Studies and advance approval of the proposed program minor in Aging. No additional resources are required for the implementation of any of these programs. The programs utilize existing courses, faculty, and other resources.

The Board Office recommended approval of the three academic minors at the University of Iowa pending favorable action by the Iowa Coordinating Council for Post-High School Education at its April 1, 1984, meeting. It was understood that approval of these minors does not constitute approval to develop these minors into academic majors without prior approval of the Board of Regents.

Vice President Martin said the Interinstitutional Committee considered this a commendable "recombination" of existing courses to provide additional educational opportunities for students without increasing institutional expense.

MOTION:

Dr. Harris moved that the board approve the academic minor programs at the University of Iowa in the following areas: 1) Latin American Studies, 2) Women's Studies, and 3) Aging Studies pending favorable responses from the Iowa Coordinating Council for Post-High School Education. Mrs. Anderson seconded the motion and it passed unanimously.

b. Annual Report for the State Extension and Continuing Education Council for 1982-83. It was recommended that the board receive the report and note the prioritized recommendations of the Council.

The State Extension and Continuing Education Council is composed of two members from each of the Regent universities and reports to the board through the Interinstitutional Committee on Educational Coordination. The Interinstitutional Committee recommended acceptance of the report.

The Board Office briefly summarized the report as follows:

Credit and Non-Credit Registrations. The Council reported that the combined registrations in credit courses in 1982-83 totaled 18,163 for a 12.8 percent increase over the previous year. Registrations increased in all but three subject matter areas. Enrollments in the Physical Science areas increased by 187 percent due primarily to a series of courses in environmental education. In keeping with the nationwide demand for courses in computer and informational systems, enrollments in these credit areas increased by 116.6 percent. For the second year, the largest decrease (20.9 percent) occurred in Education courses. Enrollments in off-campus credit courses have increased by 16.5 percent since 1978-79.

Overall registration in non-credit courses (conferences, workshops, etc.) increased by 13,016 or 10.7 percent over 1981-82. Enrollments in non-credit courses have increased 47.9 percent since 1978-79.

Quad-Cities Graduate Study Center. Total registrations for 1982-83 were 4,257. Registrations at the Quad-Cities Center reached their peak in 1975-76 with total registrations of 5,377, of which 21 percent were recorded by Iowa Regent institutions and 79 percent by all other member institutions. During 1982-83, the percentage of registrations in the Regent universities was 32.3 percent of the total, while the percentage of all other member institutions was 67.7 percent.

Western Iowa Center. During the 1982-83 academic year, Iowa Regent universities provided 71 credit courses in 11 communities throughout Southwest Iowa, resulting in 673 enrollments. In addition to credit courses, the Center has expended considerable resources related to continuing education for licensed occupations.

Bachelor of Liberal Studies. As of July 1, 1983, the three Regent universities had formally admitted to the B.L.S. program a total of 749 students, 56 percent women and 44 percent men. Of those admitted, 117 have graduated, 131 are classified as "dropouts" (although a survey revealed that only 38 percent of these consider themselves as permanently withdrawn), and 502 are at least somewhat active in the program or intend to be in the near future. The vast majority of the 749 admissions (82 percent) have been Iowa residents. The 516 in-state students who are either currently somewhat active or who have graduated represent all 15 of the merged area school districts.

Ages upon admission ranged up to 65 and over for both men and women, with the large majority (65 percent) falling between 21 and 35 years of age when they were admitted. Average ages of alumni upon graduation are 40 for women and 29 for men, an overall average of 35.

Regents Telebridge System. Uses of the Iowa telebridge system for continuing education business meetings and delivery of credit courses to off-campus students were both expanded and solidified during the 1982-83 academic year.

Recommendations Concerning Expanded Cooperative Efforts. In considering future efforts, the Extension Council identified five individual programs

that have the greatest need for additional support. These five include:

1. Advising services for off-campus students
2. Operating costs of telebridge system
3. Low enrollment reimbursement
4. Bachelor of Liberal Studies program
5. Quad-Cities Graduate Study Center assistance

The Board Office noted that while the Interinstitutional Committee on Educational Coordination recommended acceptance of this report, it had not taken a position with respect to these five recommendations.

Vice President Martin introduced Glenn Hansen, Dean of University Continuing Education and Special Education Program at the University of Northern Iowa, current Chair of the State Extension and Continuing Education Council.

Dean Hansen commended the faculties of the three campuses for their many hours of work to deliver these credit and non-credit extension courses.

Regent Jorgensen noted that there is a concern about competition between the different segments of education in offering these extension courses. She asked how the Regents were addressing this concern and whether there was an underlying philosophy about the areas in which the Regents would or would not offer courses.

Dean Hansen said as a general principle, the Council tries to respond to needs. The Council is sensitive to the role of other institutions in the state, and there is no intention to compete with other institutions. In general, the Regent institutions agree that except for the B.L.S. they will not deliver undergraduate credit programs. Non-credit programs build on the special expertise of faculty on the various campuses.

Regent Anderson asked why the five recommendations in the report (noted above) had not been supported by the Interinstitutional Committee. Dean Hansen said these had been placed in the report because two years ago the board asked for a feeling from the Council about its needs for the future, resulting in these five recommendations. These recommendations are important to the Council, but they have to find their proper place in the list of priorities.

Regent Anderson said she was particularly interested in the need for subsidizing courses with low enrollment. Dean Hansen said in parts of the state it is very difficult to offer classes if they are not fully supported by tuition. There are often not adequate numbers of students for a class but the need is there, so there are a number of courses offered that do not in themselves pay for the cost of the class. There is a certain amount of risk. It is difficult to meet the cost of transporting faculty to some sites without having 25 or 30 enrolled in the class. The Council does respond to requests even if there are not enough enrollees if the class meets a need, but it is difficult. It is a problem particularly in South-eastern Iowa. In Western Iowa there are some funds available.

Vice President Martin said that the five recommendations of the Council are on the agenda of the Interinstitutional Committee and would be coming back to the board.

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MOTION: President Brownlee stated that the annual report of the State Extension and Continuing Education Council was received by general consent of the board, noting the prioritized recommendations of the Council.

A complete copy of the Annual Report for the State Extension and Continuing Education Council for 1982-83 is on file in the Board Office.

c. Proposed Revision to Section 6.14 of the Regent Procedural Guide. It was recommended that the board approve the proposed revision to Section 6.14 of the Regent Procedural Guide regarding faculty activity analysis.

The Board Office explained that in the late 1970s, the board approved a revision to Section 6.14 of the Procedural Guide, "Faculty Activity Analysis," in order to reduce the reporting burden on the institutions and to make certain improvements in the collection of faculty activity information. This policy was now being revised in order to change certain reporting categories to reflect changes in institutional record keeping and to make the reporting information uniform among the institutions.

The policy provides a mechanism for reporting to the board and others on the professional activities of faculty. The reporting is of two types: 1) a percent of effort report divided into six categories of faculty activities, and 2) a sample survey providing information on the number of hours worked in the six categories.

Under the revised policy, this information would be provided to the board following the outlined procedures for the 1984-85 academic year. The study would thereafter be reported in two-year cycles.

Mr. Barak said this revision has been developed by the "Committee of Nine," the Interinstitutional Committee on Educational Coordination, and the Board Office. The effort was chaired by Associate Vice President Madden. Vice President Martin added that, while faculty is never enthusiastic about reporting its activities, he felt this would be tolerable because it is a sampling process.

MOTION: Mrs. Murphy moved that the board approve the proposed revision to Section 6.14 of the Regent Procedural Guide regarding faculty activity analysis. Mr. Duchon seconded the motion and it passed unanimously.

d. Graduate Major in Applied Physics at Iowa State University. It was recommended that the board approve the proposed graduate major in Applied Physics at Iowa State University pending favorable review by the Iowa Coordinating Council for Post-High School Education.

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At the February board meeting, the board referred a request for approval of a graduate major in Applied Physics to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The Interinstitutional Committee completed its review and recommended approval.

The Board Office reported that this major would complement the university's long-standing graduate program in Physics and would, according to the university, better prepare students for the increasing opportunities in industry. The proposed program would make a Ph.D. or M.S. degree with a major in Applied Physics possible within the Physics Department. Such a degree program is not now available at any university in the state of Iowa. The Interinstitutional Committee noted in its report that the University of Iowa does not have any plans to develop an Applied Physics program.

The Board Office noted that Drake University offers an M.S. degree in Physics, with an applied emphasis. Drake's program, however, is software oriented, in that students do computer modeling of physical problems, in contrast to the Iowa State University program in which students typically will do research on the materials or components of which computers are made. Consequently, there does not appear to be a problem with program duplication.

As proposed by the university, the program will have about five students per year. The university stated that graduates with degrees in Applied Physics will have a wider access to employment in industry than those with degrees in pure physics. Employers generally are pleased with applicants whose records include some evidence of interest in the relationship of science and technology, according to the university.

The university indicated that no additional resources will be needed to implement this program.

MOTION:

Mr. Neu recommended that the board approve the proposed graduate major in Applied Physics at Iowa State University pending favorable review by the Iowa Coordinating Council for Post-High School Education. Mr. Duchon seconded the motion and it passed unanimously.

LEGISLATIVE REPORT, 1984 SESSION. It was recommended that the board receive the report.

The Board Office reported that the second and third months of the legislative session have resulted in flurries of committee work and floor action. In addition, there has continued to be a great deal of discussion over fiscal year 1985 budgets which must be appropriated during this legislative session. While preliminary budget plans have been unveiled in both the Senate and the House, no final action has been taken on any particular budget plan.

Each of the budget plans which have been discussed would involve appropriation reductions below the Governor's budget. Mr. Gross noted a recent budget proposal that would reduce the Regent appropriation by \$700,000 below the Governor's recommendation. This reduction would be in the area of tuition replacement. Because of the delay in selling bonds and higher earnings on reserves, tuition replacements for fiscal 1985 are decreased.

Mr. Gross said another detail of this proposed budget will would require that the University of Northern Iowa spend \$100,000 of a \$300,000 Communication Arts Center contingency fund on the Old Administration Building. President Curris told the board that the directors of the University of Northern Iowa Foundation and Alumni Association had met and heard proposals from persons seeking preservation of the Old Administration Building. The proponents for preservation requested that the Alumni Association mount a fund-raising effort to raise \$1.2 million of the amount needed for this project. After considerable discussion, the Alumni Association declined to undertake this effort as being inappropriate. The Foundation passed two resolutions. The first declined to undertake this project by virtue of previous commitments, and the second stated that if an independent effort is organized for this restoration, the Foundation will make a contribution in the amount of \$25,000 to \$50,000.

Mr. Gross said all budget proposals would be monitored closely. The Board Office report noted the following items of interest to the Regents:

S.F. 2160, which would provide a preference for Iowa residents in the awarding of public contracts. The legislation would establish a reciprocity arrangement whereby Iowa contractors bidding on public improvement projects receive a preference equal to the preference given or required in another state in which a non-Iowa bidder is a resident. It is anticipated that this reciprocity requirement would have cost the Board of Regents approximately \$485,000 in additional construction costs during the past fiscal year. In addition, university officials have expressed concern about the difficulty of administering such a reciprocity provision. As amended in the House, the bill would also require the Regents to publish in two newspapers of general circulation the two lowest bids received for public improvement contracts in order to indicate the change in the cost of public improvements which result from this reciprocity provision. This publication requirement would also result in additional administrative expenditures.

H.F. 426, would require contractors who receive bids for state public improvements to pay the prevailing wage rate to construction employees. This prevailing wage rate would be set by the Labor Commissioner. The Board Office noted that it is expected that this prevailing wage requirement could increase the cost for construction contracts at the University of Northern Iowa by 10 to 20 percent, at the University of Iowa by up to 10 percent, and at Iowa State University by up to 25 percent. These percentages vary due to the extent to which contractors working on construction projects for these institutions now use union scale labor. Of particular concern is the fact that this proposal could increase the cost for the Agronomy Building construction project by up to \$6 million during fiscal year 1985. This would severely hamper the ability of the university to complete that project.

S.F. 2165 would require all state government agencies employing more than 100 individuals to plan for a 10 percent reduction of its upper level management positions. The Board Office noted that this could adversely affect morale at the institutions. Vice President Ellis said that in addition it would have a serious impact on the universities' ability to manage the institutions, because there is not a surfeit of people at that level.

An alternative proposal--requiring a study to determine the extent to which optimal supervisor to line employee relationship ratios are met--may be considered in the House. It has been determined that the Regent institutions already exceed the optimal supervisory-to-staff ratio suggested by the Governor's Task Force on Efficiencies and Cost Effectiveness.

H.F. 2217 establishes a Board of Educational Examiners and competency testing for teachers. The bill would replace the present system by which the State Board of Public Instruction serves as the Board of Educational Examiners. It would also assign the responsibility for adopting a basic skills assessment examination for teachers to the proposed board and would establish a special internship program for new teachers. Mr. Gross noted that this bill would lock out the departments of education at the Regent universities in terms of evaluation of teachers.

The Board Office reported on the Regents legislative program, noting in particular the following:

Mr. Gross said SCR 13 had come out of committee and was scheduled for debate. It has been determined that the institutions are losing approximately \$190,000 per month in lost interest income as a result of delaying the bond sale in fiscal year 1984. Therefore, immediate action is necessary and the outlook for prompt action by the Legislature was now promising. A bond sale was tentatively scheduled for April 3 at 11:30 a.m., by teleconference.

Legislation was proposed which incorporates the Regent recommendations to allow for a phased retirement system for Merit System staff. However, an amendment was added to the bill which would require all state agencies to revert all state appropriations used for out-of-state travel in fiscal year 1984. Given the importance of out-of-state travel to professional development and faculty recruitment, this could be a serious blow to vitality efforts at the institutions.

The Board Office reported on current progress of the Regent proposal on end-of-year encumbrances. A Regent proposal to exempt applications for full-time employment from the public records law did not pass the Senate.

The Board Office report noted the following additional bills being monitored:

S.F. 2317, which would require state and local governments to provide a 5 percent bidding preference on purchases of Iowa coal. The current statute provides a "material" preference to Iowa coal purchases by state institutions. However, "material" has not been defined specifically.

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This legislation would specifically require a 5 percent preference to be provided to Iowa coal bids. Based upon contract bids received this fiscal year by the University of Northern Iowa and the University of Iowa, such a preference could result in increased coal purchasing costs of up to \$350,000.

President Brownlee said the stance of the board on this issue, as he understood it, is one of neutrality, since this is such a difficult issue. The Regent representatives were attempting to provide the answers to any questions but are not opposing or supporting this particular legislation. He noted that the board would be receiving a report from its Task Force that would address this problem in depth. President Brownlee asked if board members objected to the position of neutrality on this issue; none did.

The Board Office reported that last month the Regents approved legislative initiative to allow the Regent institutions to negotiate for purchases of economy electrical generating power. As was indicated to the board, this proposed legislation would have no impact on the current load for municipal utilities at Cedar Falls and at Ames. Nevertheless, the Municipal Utility Association has vigorously opposed this legislation. Mr. Gross said this opposition is not based on any real impact the legislation would have at this time but on the precedent for future contracts these utilities might have with Regent institutions.

Concerning Specialized Child Health Services, Mr. Gross said initial indications appeared to be a cut in the Governor's recommendations. At this time it was not certain what the impact of these cuts would be. There is a \$105,000 deficit for four programs in the SCHS in this fiscal year. There is need to take action to transfer funding from programs with a surplus to programs with deficits. Regent Anderson noted that two of these programs are being operated at a deficit by direct mandate of the Legislature.

President Brownlee said it was his understanding that the University Health Center feels if the appropriations are not made, there is no choice but to discontinue some of the programs. President Freedman said this is correct. The only responsible thing to do is to give notice of phasing down some of the programs. No new patients will be accepted after a certain date for the programs being discontinued.

Regent Anderson asked about the current status of the medically needy issue. She noted that the report from the Fiscal Bureau on this issue is not yet out. Mr. Gross said this report is not due until January 15, 1985. There was an interim report in February, and the Department of Human Services had made an estimate of costs. It appears that the Legislature will attempt to implement a medically needy program before the release of this report.

President Brownlee said that apparently the task of getting the necessary statistics is more difficult than originally thought. Mr. Gross said the Fiscal Bureau is attempting to get a profile of people in the indigent

patient care program. Some counties do not want to give this information. President Brownlee said University Hospitals has three people working full time on this project in order to help the Fiscal Bureau obtain this information.

President Brownlee said the board was aware that the Regent position on the medically needy issue had been distorted in some publications. The Regents had decided to wait for the results of the January 15, 1985, Fiscal Bureau report before taking a position on the issue. However, the board has erroneously been depicted as opposing the medically needy program.

MOTION: President Brownlee stated that the Legislative Report, 1984 Session, was received by general consent of the board.

UNIVERSITY RESIDENCE SYSTEM REPORTS, 1982-83. It was recommended:

1. That the Board Office Residence System Summary Report and the University Annual Residence System Reports for 1982-83 be received, and
2. That the University Residence System Ten-Year Plans be considered separately for 1982-83 and the years following.

The Board Office noted the following highlights of the Residence System Reports:

- Residence system occupancy continues to be in excess of design capacity in the dormitories. Occupancy in apartment units, which include both married and single students, while less than capacity, has presented concerns at only one university. Residence system occupancy continues to maintain approximately peak capacity. There were 26.1 thousand dormitory and apartment occupants in the fall of 1982 and 26.3 thousand this fall. In 1982-83, residence hall occupancy ranged from 102.4 through 111.8 percent while apartment occupancy rates ranged from 90.4 to 99.9 percent at design capacity.
- Access to residence halls continues to be on a seniority basis at Iowa State University and the University of Northern Iowa while the University of Iowa has continued to give preference to freshmen, sophomores, and new transfers.
- All three residence systems in recognition of alcohol abuse problems among some residents have implemented programs to curb abuses. First, educational programs have been implemented to encourage responsible drinking. Second, additional guidelines for social events designed to control alcohol intake have been implemented. Ultimately others may face the necessity of disciplinary action. Student government has been most supportive of these efforts to curb alcohol abuse.
- There were 7,982,000 meals served in 1982-83. In 1982-83 dining, vending, and other services did \$24.8 million worth of business. Approximately

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85 percent was from the direct sale of dining services. Revenues from other operations result from cafeteria and counter merchandise sales, direct vending machine sales, utility charges to apartment housing, and catering services.

- Regent university residence systems encompass 26 percent of all square footage maintained among Regent institutions. The original value of the buildings and equipment of the three systems was \$113 million. Replacement value in 1982-83 is estimated at \$354 million. The residence systems have been constructed for the most part with bond revenue.
- The residence systems as well as the Board of Regents give plant maintenance high priority in terms of fire and structural safety, functional usefulness, and appearance. Incorporated in this priority is the continued need for preventive maintenance programs. In 1982-83, the three residence systems combined spent \$6,684,000 on repairs, remodeling, replacements, renovations, and alterations from operating revenues and from building improvement funds which are part of each residence system's discretionary (voluntary) reserves.
- During 1982-83, the three systems maintained 6,334,000 gross square feet. From operating revenues which would cover most routine repairs, remodelings, and renovations, the outlay per gross square foot was \$.46. When major renovations and equipment are added, the outlay per gross square foot was \$1.06.
- The 1982-83 residence systems net operating income remains in a strong position. After all debt service payments and other required payments and transfers have been made, \$4.7 million remained for contingencies.
- Residence system revenues continue to increase annually, moving from \$45.8 million in 1981-82 to \$48.3 million in 1982-83. Again, estimated revenue for 1983-84 amounts to \$49.7 million. The increase in 1982-83 over 1981-82 amounted to 5.5 percent.
- Aggregate operating expenditures increased from \$35.9 million in 1981-82 to \$38.3 million in 1982-83 for a 6.6 percent increase. Expenditures for 1983-84 are estimated at \$40.0 million.
- Total reserves available for contingencies in 1982-83 amounted to \$12.2 million and are estimated at \$7.3 million in 1983-84. The drawdown of reserves in 1983-84 is the result of continued investment in plant remodeling and renovation. Reserves remain at a prudent level.
- Continued occupancy decline at the University of Northern Iowa is the only serious financial concern among the Regent resident systems.

Mr. Gross commended institutional personnel and Lyle Sonnenschein of the Board Office for their efforts in preparing this report.

Regent Anderson asked if there were any restrictions in the residence halls with regard to alcohol. Charles Frederiksen, Director of Residence at Iowa State University, said for a number of years there has been a policy that any student of legal age may have and consume alcohol in his or her room. Student groups can set policy by house and for student-sponsored social events. However, legal age is the basic determinant for access to alcohol.

Mr. Frederiksen said that in response to student interest, Iowa State University now plans to open some no-alcohol space in the residence system. Mr. Frederiksen told Regent Anderson that students currently living in the areas that are to become no-alcohol space will have the option of moving to other houses. The no-alcohol option is for freshmen and returning students. It will be a clear option on the housing application. Originally 595 students had indicated an interest, but a subsequent survey showed only 38 who actually wished to live in these halls. Mr. Frederiksen noted that residence system rules at Iowa State encourage students to stay in one place, and when they are familiar with a hall and are surrounded by friends they are reluctant to move. He felt that many new students, with ties not yet established in the residence system, would opt for this plan.

Regent Anderson said she would like a report in the future on the progress of this venture. She has had many inquiries on this subject. She was pleased that Iowa State was offering this option and asked if the other universities provided similar plans. Vice President Remington said the University of Iowa does not yet offer no-alcohol living spaces but was very interested in it and would follow the Iowa State experiment closely. President Curris said there has been some interest expressed on the University of Northern Iowa Campus. The university planned to offer some space for no-alcohol living next year but did not anticipate a large response.

Regent Anderson asked how closely the universities could monitor alcohol consumption in terms of age. Vice President Remington said enforcement of policy is the key, and he acknowledged that this policy can't always be enforced perfectly. Assistant to the President Mears said the alcohol policy is part of the residence hall guide book, and students can be disciplined for violation of these regulations. Alcohol regulations are enforced in the same way as other regulations.

President Freedman introduced Mark Eckman, president of the SUI Residence Hall Association. Mr. Eckman said the Health Iowa program has worked with students to educate them about alcohol and this program is considered successful. The Association of Residence Halls and individual buildings all recommend a policy to limit the amount of alcohol per person when planning parties, and to provide adequate amounts of food and alternative beverages.

Regent Jorgensen asked for more information about the enforcement aspect. She asked if administration could inspect a room if it were suspected that an under-age student was consuming alcohol. Ms. Mears said students'

rooms are treated as their homes. No one walks in unannounced. The university does not conduct searches. For that reason, it is sometimes difficult to know what people are doing. However, the resident advisors on each floor do keep track. If they feel an under-age student has a drinking problem, they would watch this closely.

Regent Murphy asked about another matter of discipline. She has had complaints from parents that, while they are paying for a dormitory room, an extra person sometimes appears to be living there. She mentioned one incident where the resident advisor had not taken corrective action when asked for assistance. Regent Murphy asked if students were informed about procedures to follow in such cases.

Ms. Mears said it is sometimes difficult to know what is a disciplinary problem and what is a problem of a lesser level. Some people do have roommate problems that don't require outside assistance. Mrs. Murphy agreed that some students would rather handle such problems themselves, but she felt that when a student does go to the resident advisor, the RA should help with the problem or suggest another course of action.

Regent Harris asked what help was available for students not in the residence system. Ms. Mears said there is a clearinghouse for students out of the system, and mechanisms are available for counseling services and alcohol counseling. She noted that the Health Iowa program is not limited to the residence system.

MOTION:

President Brownlee stated that the Board Office Residence System Summary Report and the University Annual Residence System Reports for 1982-83 were received by general consent of the board, and that the University Residence System Ten-Year Plans would be considered separately for 1982-83 and the years following.

UNIVERSITY RESIDENCE SYSTEM TEN-YEAR PLANS, 1984-1994. It was recommended:

1. That the University Residence System Ten-Year Plans be received.
2. That the Residence System staff, in cooperation with the Board Office, review the present reporting format for the Ten-Year Plan and initiate any appropriate refinements in format or content for the next year's update.
3. That the University Residence System Ten-Year Plans continue to be prepared as a separate document and submitted for the board's review along with the residence hall systems annual report each year.

The Board Office explained that planning statements for university residence halls have been prepared for the past several years to assist the Regents in their understanding of the residence hall function and in their review of the universities' future plans. These planning statements previously

were included as part of the residence halls systems annual report. In order to keep the Regents better informed, the Board Office recommended that the comprehensive ten-year plans continue to be submitted as a distinct document.

The Ten-Year Planning report focuses on resource requirements for the coming decade. All three residence system reports incorporate sections on program directions, space planning and management, building improvements, and operating finances and reserves. These categories are summarized below.

#### Program Directions

University of Iowa. The university is beginning to see a reduction in freshman applications for fall 1984. If this is a trend, it will result in a changing student population, and university housing programs will be modified to attract a larger portion of the non-freshman student population. As more upper-class students begin to live in the residence halls, the university plans to modify the direction of its programming efforts to serve this newly expanded population. The university also plans to expand its programs in the area of career preparation in response to the students' strong career orientation.

Iowa State University. The residence hall system at Iowa State University traditionally accommodates 45 to 50 percent of the total enrollment of students each fall term. The objective is to offer university housing as an alternative and respond to specialized housing requirements, giving students their choice of available housing alternatives. All undergraduate residence halls are organized into small houses for programs and governance. The university believes this is a key to making the residence halls an attractive alternative for many single students. Most important is a needs assessment process that keeps program scope and content in a continuing state of updating.

University of Northern Iowa. The Department of Residence offers a variety of programs including special emphasis in the area of alcohol education and counseling. The residence halls offer living options responding to the various needs of the student population. The university reported that the lack of programming space has inhibited the development of significant program opportunities for family student housing.

#### Student Enrollment and Occupancy

Projected demand for university housing is based on university enrollment projections through the ten-year planning period and application of historical percentages by class level in each of the ten years. The Board Office noted that projections of residence hall occupancies for any number of years into the future are subject to significant changes.

University of Iowa. Enrollment at the University of Iowa is expected to peak in 1985-86 at 30,780 students and will drop steadily to 24,789 students in 1993-94. This represents a decline of 19 percent. Residence hall demand

is expected to peak at 6,842 students in 1984-85 and to decline to 6,169 students in 1992-93. The operating capacity of the university residence system is anticipated to be approximately 6,600 and remain at that level through 1989-90.

Continuing the suspension of the parietal rule through academic year 1986-87, which was approved by the board in February 1984, should not have a detrimental effect on the university's ability to maintain full occupancy. The opening of the Mayflower to 996 students increased the operating capacity of the system and provides an opportunity to offer additional housing to upper-class students. The additional rooms gained through the opening of the Mayflower are offset partially by the planned closing of the Oakdale 60-bed facility in 1984.

Iowa State University. Ten-year enrollment projections at Iowa State University show a peak enrollment of 26,470 in 1984-85 and modest declines of 400-600 each year over the next eight years. The enrollment projections provide the basis for anticipating full occupancy for the next ten years, even with modest enrollment declines beginning the fall of 1985. The university plans to respond to the slight decline in demand for university housing by reducing a sufficient number of rooms to design capacity on a year-to-year basis.

The Department of Residence is planning an increase in residence hall space at Buchanan Hall, a hall for graduate and older students, and a replacement program for Pammel Court Apartments over the next ten years. These actions are based on the enrollment projections and the high demand for housing, a demand that at present exceeds the system's capacity. The Board Office noted, however, that continued high demand for university housing is subject to change. The prospect of building additional beds at Iowa State deserves serious consideration before proceeding. Questions regarding the need for 200 new residence hall beds in Buchanan Hall and 250 new apartments as a replacement for Pammel Court should be pursued.

University of Northern Iowa. The projection for residence hall occupancy indicates that occupancy will decline steadily from its 1983 level of 4,653 students to 3,739 students during the 1993-94 academic year. The occupancy projections are based on the assumption that 57 percent of the lower division and 32 percent of the upper division students will be housed in single student housing. These percentages are based on historical data and are expected to remain constant in the future, according to the university.

The university plans to respond to the declining demand for single student housing by returning many rooms to their original design capacity (no longer housing three students in rooms designed for only two). Other alternatives identified as options by the university include: convert an additional 100 spaces from dormitory rooms to office spaces for university activities and determine whether the closing of one residence hall would result in sufficient savings to justify such a move.

One adjustment suggested by the university for residence halls is raising room and board rates to compensate for the declining occupancy. However, an increase in room and board rates could negatively affect the demand for housing, further exacerbating the problem. In the highly competitive Cedar Falls/Waterloo housing market, the impact of such a step should be thoroughly researched before implementing.

In the area of family housing, the university's position in the market has been compounded by the introduction of federal housing and the large supply of apartments in the surrounding metropolitan area. The university reported to the board in January 1984 on a number of actions aimed at improving apartment occupancy. Occupancy in family housing is projected to rise gradually over the next five years until capacity is reached in 1988-89. The Board Office noted that the projected occupancy level for apartment housing may be overly optimistic, and occupancy levels should be monitored closely.

The university did not provide in its ten year planning document evidence of detailed plans on how the housing system's capacity can be reduced if that becomes the objective. Such plans may be needed if occupancy rates fall.

#### Space Planning and Management

University of Iowa. Over the ten-year planning period, the university will reduce its operating capacity by discontinuing the use of the Oakdale Facility, decommissioning 26 beds in the North Tower of the Quadrangle, and closing of the Westlawn residence hall in 1990. These actions are planned in response to the anticipated decline in enrollments and housing demand, and will reduce the operating capacity of the residence system from 6,663 in 1983-84 to 6,250 by 1991-92.

Iowa State University. The university's plans now include proposals to: remove 178 apartments in East Pammel Court, remove 80 apartments in West Pammel Court, construct 250 new replacement apartments, reduce to design capacity 250 residence hall rooms currently utilized in excess of capacity, construct 200 new residence hall beds as an addition to Buchanan Hall, and shift rooms allocated for women to men as needed.

University of Northern Iowa. Decline in the demand for housing in the residence halls will be met primarily through offering the availability of more single living spaces. The Board Office noted that it was not clear how the "premium rate" which may be charged for single room assignments will materially help the projected budget difficulties.

In 1983, the university removed 56 rooms from residence hall design capacity by converting them to office suites for general university use. The option of removing another 100 rooms is being considered as a possibility for further reducing residence hall capacity. The commissioning of residence space in favor of general fund use would need to be reviewed

carefully in terms of space maintenance costs or possibly space leasing cost being shifted to the general fund.

The Board Office said the Residence Hall Department needs to develop more detailed plans on how it expects to respond to the decreasing demand for student housing. The plan should incorporate sufficient detail to permit an assessment of the impact on operating budgets and dormitory rates. Mr. Gross said the Board Office would like to work closely with the UNI Residence Hall Department over the next year or so to deal with this potentially serious occupancy situation.

#### Building Improvements

University of Iowa. It is anticipated that approximately \$1 million will be spent each year on major remodeling, renovation, and alteration projects.

Iowa State University. The two major construction projects included in the ten-year building schedule are construction of a 250-apartment replacement project and a 200-bed addition to Buchanan Hall planned for 1987.

University of Northern Iowa. The only new construction project anticipated by the university is a multi-purpose room to be added to the central family housing office to provide additional programming space.

#### Operating Finance and Reserves

University of Iowa. A summary of the revenues, expenses, capital improvements, and voluntary reserve balances for 1982-83 and estimates through the planning period indicate that voluntary reserves are being drawn down over the planning horizon. These funds are used to meet capital improvement expenses. The operating budget does not bear the full cost of major projects during the early years when reserve funds are drawn down. In later years, major capital expenditures must be supported by net operating revenues and may require increases in student housing rates. In FY 1983, \$517,000 of university general fund revenues were used to support the residence system. The university is commencing a plan to provide for self-funding of the residence system.

Iowa State University. Sales of bonds in 1985-86 and in 1989 to fund 250 replacement apartments and the 200-room addition to Buchanan Hall are proposed by the university. The impact on the debt service on the two new issues will be reduced by the retirement of a 1976 bond issue for \$3 million. Iowa State University is also drawing down reserves to pay for major capital improvements early in the planning period. Net operating income is expected to support these costs in later years. The Board Office noted that as at SUI, student housing rates will depend on whether high occupancy can be maintained.

University of Northern Iowa. The Board Office reported that the declining residence hall occupancy will have a substantial impact on the operation of the residence system. Of concern are figures demonstrating net operating reserves available dropping from \$200,000 in 1983-84 to -\$854,000 by the

end of the planning period. The two major challenges confronting the residence system at the University of Northern Iowa are funding the projected net operating revenue deficit and repairing an aging physical plant. It was recommended that the university work closely with Board Office staff in developing a carefully constructed operating plan for the residence system at the university.

Vice President Moore said that proposed additions and replacements in Iowa State University's ten-year plan are not specific proposals. The university would like to phase out the old and inadequate units, and the proposed 200-bed addition to Buchanan hall would be the type of facility that is in high demand. There is a likelihood that some of these will take place but it is not a specific commitment. Regent Anderson asked if, in the face of declining enrollment, the Regents really want to build more living space even as a replacement. Vice President Moore reiterated that there is no commitment to these projects on the part of Iowa State.

Regent Jorgensen noted that a possible method of dealing with reduced demand for student housing is reallocation of dormitory space to other university needs. She asked if the board would have a chance to review these transactions. Mr. Gross said if funds are involved, such items must be brought to the board. Mrs. Jorgensen said in that case, if no funds are involved, a whole dormitory could be decommissioned without the board knowing. Vice President Moore believed as procedures now stand, if a university decommissions anything relating to housing, it is necessary for the board to approve it. Regent Jorgensen asked if this would apply to even a small percentage of a building, or a floor? President Parks felt board action would be necessary, since such an action would be a transfer from the self-supporting dormitory system into the general university system, and there would be financial implications. President Brownlee stated that the minutes would show that the board assumes that any actions relating to decommissioning residence system space will be brought to the board for approval.

MOTION: President Brownlee stated that the University Residence System Ten-Year Plans, 1984-1994, were received by general consent of the board, and would continue to be submitted as a separate document.

ANNUAL REPORT ON EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION. It was recommended:

1. That the board accept the affirmative action reports as submitted by Regent institutions and the Compliance Office with the exception as noted in Recommendation No. 2;
2. That the board defer action on information relative to POA-1 Executive/Administrative/Managerial positions and instruct the institutions and Board Office to work to resolve this matter and report back to the board at its June meeting; and

3. That the board receive each institution's projected affirmative action numerical goals (October 1, 1983 - September 30, 1984) at its June meeting.

The Board Office reported that members of the Interinstitutional Committee for Equal Employment Opportunity, meeting on January 10, 1984, requested that the institutions include the following in their annual reports:

1. Employment information based upon the institution's full-time work force.
2. Student enrollment information.
3. Report on the recruitment, employment, and promotion of women and minorities for/in faculty positions.
4. Report on results in reaching projected affirmative action goals.

The Board Office summarized these reports as follows:

University of Iowa

The Board Office noted that the university was able to increase its overall work force by 260 employees from 1982 to 1983. Information submitted by the university indicated that the university experienced a decrease of 58 faculty members, tenure track. Tenure-track faculty women increased by 7 while tenure-track minority faculty decreased by 6. However, the university stated that those minority faculty were moved or promoted into executive and managerial positions. The university indicated that minorities were appointed to 7 faculty, nontenure-track positions during 1982-83. Five minority women and 2 minority males received these appointments.

While the university experienced an increase of 139 employees in the Professional and Scientific category from 1982 to 1983, the number of minorities remained the same. The university stated, in reference to professional and scientific staff, that appropriate administrators are being informed of the positions in which women and/or minorities are most under represented in addition to making administrators aware of the affirmative action recruitment process.

The university continues in its efforts to improve the representation of women in six of the seven major position categories excluding Exec/Admin/Managerial positions. The number of women increased by 7 in faculty, tenure-track positions; 5 in faculty, nontenure-track positions; 105 in professional and scientific positions; 13 in secretarial/clerical; and 2 in skilled craft positions. The number of women decreased by 8 in service/maintenance positions.

There remains a concern as to the loss of 4 minority secretarial/clerical staff and 1 minority technical/paraprofessional staff member. Of the overall increase of 13 minorities at the university from 1982 to 1983, 4 (31 percent) persons were employed in the service/maintenance category.

There remains a concern also regarding the number of women who have attained faculty rank during the period of 1980-81 through 1983-84. Although the university has made progress in the appointment and promotion of women as assistant professors during the period covering 1982-83 and 1983-84, noticeable disparities between men and women continue to exist in the ranks of professor, associate professor, and assistant professor. The number of men and of women holding the rank of professor decreased by 4. Both the numbers of men and of women holding the rank of associate professor decreased during the same period. The number of women holding the rank of assistant professor increased by 15 from 1982-83 to 1983-84, while the number of men holding the same rank increased by 17. The overall growth for those holding faculty rank from 1980-81 through 1983-84 was 77 appointments. Men received 60 (77.9 percent) of the appointments and women received 17 (22.1 percent) of the appointments.

The university increased the number of minority undergraduate students by 65 and the number of graduate students by 11 from 1982 to 1983. The institution had an enrollment increase of 1103 undergraduate students of which 544 (49.3 percent) were women. Graduate students increased by 361 during this period. Women graduate students numbered 211 (58.4 percent) while men numbered 150 (41.5 percent).

#### Iowa State University

The university increased its overall work force by one employee from 1982 to 1983. There do not appear to be significant changes in any of the seven major employment categories, excluding Exec/Admin/Managerial positions. There was a decrease of 19 Caucasian staff members and an increase of 20 minorities. The greatest increase for minorities occurred in the category of professional and scientific, where minority representation increased by 21 persons. The overall numbers of women increased by 14, with the most notable increase again occurring in the professional and scientific category in which the number of women increased by 30 positions.

There was an increase of 15 tenure-track faculty members from 1982 to 1983, of which 14 were men and 1 was a woman. There were no minorities included in the increase.

The Board Office said there remains a concern regarding the number of women who have attained faculty rank in the period 1980-81 through 1983-84. Although the university has made progress in the associate professor rank in the period covering 1982-83 through 1983-84, disparities between men and women continue to exist in the ranks of professor, associate professor, and assistant professor. The institution has experienced an overall loss of 119 faculty on tenure track, full- and part-time, from 1980-81 through 1983-84, 109 men and 10 women.

The university's total student enrollment increased by 1,114 from 1982 to 1983. Undergraduate enrollment increased by 867 and graduate student enrollment increased by 247. It is significant that the number of black undergraduate students increased by 176. This figure represents 20.3 percent of the total increase for all undergraduate students. The institution experienced an overall loss of one minority graduate student. The total number of minority undergraduate and graduate students for 1983 was 1,129. This represents an increase of 223 minority students from 1982. Minority students constitute 4.12 percent of the total student enrollment in 1983.

Of the overall increase of 1,114 students, the number of women increased by 266. There was an increase of 268 women undergraduate students and a loss of 2 women graduate students. In 1983, 8,492 women undergraduate students accounted for 38.2 percent of the undergraduate enrollment. The 1,275 women graduate students accounted for 33.4 percent of all graduate students in 1983.

#### University of Northern Iowa

The University of Northern Iowa employed its first full-time Affirmative Action Officer on August 1, 1983. The Board Office said the university is to be commended for taking this action.

The overall work force at the university has remained stable from 1982 to 1983. There have been reductions in three of the major employment categories. They are: 1) faculty, tenure and nontenure; 2) skilled crafts; and 3) service/maintenance.

There were two employment categories which experienced modest increases. They were 1) professional and scientific and 2) secretarial/clerical.

There were no changes in the number of persons employed in technical/paraprofessional positions.

The greatest increase for minorities occurred in the faculty, nontenured positions. Minorities increased from one to three in this category. The number of women increased from 68 to 79 in professional and scientific positions.

The Board Office noted that the university's Affirmative Action Office has been asked to provide information relative to the number of men, women, and minorities holding faculty rank for 1983-84.

The total student enrollment at the University of Northern Iowa increased by 216 from 1982 to 1983. There was an increase of 191 undergraduate students and 25 graduate students. The number of undergraduate women increased by 4, while graduate women increased by 53. The university experienced the loss of 28 male graduate students from 1982 to 1983.

Concern was expressed as to the reasons why the university experienced the loss of 15 Black and 7 Native American undergraduate students and 3

Black, 4 Asian, and 6 Hispanic graduate students from 1982 to 1983. The Board Office said the university should comment on this matter.

The Board Office also expressed concern as to reasons why large numbers of minorities are employed in service/maintenance positions compared to other categories of the work force. This percentage is 45.8 at UNI, as compared to 16.1 and 14.8 percent at SUI and ISU, respectively.

The total number of minority undergraduate and graduate students at Regent institutions has increased 274 from 1982 to 1983. The total number of women undergraduate and graduate students increased by 1,078 during this same period.

#### Iowa School for the Deaf

The Iowa School for the Deaf experienced an overall reduction of 3 persons in its work force. The decreases (confined to Caucasian employees) totaled 5 and included Exec/Admin/Managerial (2); Faculty (1); Sec/Clerical (1); and Service Maintenance (1). These losses were offset by the following increases: Professional/Scientific (1) and Tech/Paraprofessional (1). The institution increased its minority work force from 3 to 4. This is the second consecutive year that the school has added a minority person to its work force. The institution reported the employment of 28 persons who are considered handicapped including one amputee, one blind person, and 26 persons with hearing losses.

#### Iowa Braille and Sight Saving School

The Iowa Braille and Sight Saving School reported an overall reduction of four employees. As the institution does not employ any minorities, the reductions were restricted to Caucasians. The school reported that 14 (11 percent) of its full-time/part-time employees are considered physically handicapped. Moreover, 7 women employees were promoted to positions which increased their responsibilities and duties.

The Board Office stated that the universities should ascertain what their projected overall affirmative action goals might be for 1984-85 and articulate these goals in a follow-up report to the board during the June meeting.

Mr. Maxwell introduced Charles Samuels, Affirmative Action Officer at Iowa State University; and Laura Douglas, Director of Affirmative Action at the University of Iowa.

Mr. Maxwell told the board that he was delighted with the newly implemented Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) policy approved by the board in December 1983. He felt there would be definite progress in this area.

President Brownlee noted that the board is still concerned with the matter of more uniformity among the institutions in their affirmative action reporting. Vice President Christensen said this problem was

discussed a year ago, and at that time the institutions agreed that the Board Office would tell them what to do and they would do it. He felt that to the best of their knowledge the institutions had done what had been asked of them. President Brownlee said the board appreciated this, and was sure the institutions would continue to cooperate fully.

Mr. Maxwell told the board that there is still a great distance to go in meeting affirmative action goals. He had tried in his reports to point out some real problems to the board. These problems would be discussed at the interinstitutional level to try to pin point the target areas. The Regent institutions should not deceive themselves that the battle is over, but he believed they were on the right track.

Mr. Maxwell said he hoped to return to the board in June with the matters noted in Recommendation No. 2, above.

MOTION: President Brownlee stated that the Annual Report on Equal Employment Opportunity and Affirmative Action was received by general consent of the board.

A complete copy of the Board Office and institutional affirmative action report is on file in the Board Office.

APPEAL OF MARGRET J. RHOADES, FORMER EMPLOYEE OF ISD. It was recommended that the board review Ms. Rhoades' appeal on the basis of the record and affirm the decision of the Regents Merit System Director that Ms. Rhoades was in probationary status at the time of her termination and therefore is not eligible for arbitration of her grievance.

The Board Office explained that Ms. Rhoades was employed at ISD on February 7, 1983, as a Secretary I in a nine-month (school year) position in General Administration. She worked full-time from February 7, 1983, through May 27, 1983 (640 hours). In June she was asked, and agreed, to do extra summer work which consisted of typing for the Curriculum Coordinator in the Academic Department. She worked from June 24 through July 21, and was paid for a total of 103 hours. In August, she rejected a proposed transfer to a position in the same classification in another department at ISD. She returned to her position as Switchboard-Receptionist on August 22 and worked until her termination on September 30, 1983.

Ms. Rhoades subsequently grieved her dismissal and the determination by ISD that she was a probationary employee at the time of her termination. Following denial of her grievance at institutional steps, Ms. Rhoades requested arbitration of her grievance. The Regents Merit Director declined Ms. Rhoades request for arbitration on the grounds of her probationary status and advised her that, under merit rules, she could appeal that decision to the Board of Regents.

The appointment dates and the hours of Ms. Rhoades' employment are not matters of contention. Ms. Rhoades indicated that she worked in each

month from February through September and therefore satisfied the requirement of six months' active service. The institution noted that for full-time nine-month appointees it consistently has required the completion of 1,040 hours to satisfy the requirement of six months' active service, both for purposes of probationary status and for the determination of eligibility for merit increases. Even including the extra summer work performed by Ms. Rhoads (which the institution normally would not count as part of the probationary period), her total time in pay status comes to 1,013.1 hours which includes 30.1 hours of terminal vacation, or 983 hours excluding terminal vacation.

For the above reasons and following review with Board Office legal counsel, the Regents Merit System Director determined that Ms. Rhoades was clearly a probationary employee at the time of her termination and therefore under merit rules could not be granted the arbitration she requested.

MOTION: Dr. Harris moved that the board affirm the decision of the Regents Merit System Director that Ms. Rhoades was in probationary status at the time of her termination and therefore is not eligible for arbitration of her grievance. Mr. Neu seconded the motion and it passed unanimously.

ADMINISTRATIVE RULE AND PROCEDURAL GUIDE ACTIONS ON LATE PAYMENT CHARGES.  
It was recommended that the Board of Regents:

1. Adopt an amendment in its administrative rules to incorporate the following proposed rule on late payment charges pursuant to Senate File 527 amending Chapter 8.15 (Budget and Financial Control Act) of the Code of Iowa.
2. Adopt a new section in the Regents Procedural Guide incorporating the new authority.

Mr. Gross explained that last year the Legislature passed Senate File 527 which requires all state agencies, if they delay payment, to pay a penalty. After consultation with the Attorney General's Office, it appears that the amendment as worded does not legally apply to the State Board of Regents. In order to comply with the spirit of the amendment, the Board Office proposed the following addition to the Iowa Administrative Code, 720, Chapter 8.

8.2(4) Interest on Claims. In the case of any claim received after March 23, 1984, for services, supplies, materials, or a contract which is payable from the institution's general fund which remains unpaid after sixty days following receipt of the claim or the satisfactory delivery, furnishing or performance of the services, supplies, materials or contract, whichever date is later, interest shall be paid at the rate of one percent per month on the unpaid amount of the claim. This paragraph does not apply to claims against the state under chapters 25 and 25A or the claims paid by federal funds.

The wording of the proposed rule closely resembles the amended law. The essential difference is that "the institution's general fund" is substituted for "the state treasury" as the origin of payment in the proposed rule.

For further clarification, it was recommended that a paragraph be added to the Regents Procedural Guide chapter on purchasing. This addition acknowledges new authority to pay a service charge on validated claims for payments 60 days in arrears. It allows Regent institutions the flexibility to designate which department will conduct the inquiry leading to a decision to pay or not to pay a claim for late payment. Typically, the department designated will be the institutional controller, the chief business officer, or the purchasing agent. Regent institutions participated in drafting this statement.

The Board Office said the fiscal impact of this rule in actual operations should be inconsequential. Regent institutions maintain a reputation for prompt payment. Through prompt payment, \$470,000 in cash discounts earned on purchases were received in FY 1982-83.

MOTION:

Mrs. Anderson moved that the board (1) adopt an amendment in its administrative rules to incorporate the proposed rule on late payment charges pursuant to Senate File 527 amending Chapter 8.15 (Budget and Financial Control Act) of the Code of Iowa; and (2) adopt a new section in the Regents Procedural Guide incorporating the new authority. Mr. Duchen seconded the motion and it passed unanimously.

Mr. Barak said in the next months the Board Office would begin looking at the whole Administrative Code section on purchasing and would probably be coming back to the board with additional changes.

AMENDMENT TO PROCEDURAL GUIDE ON TUITION INCREASE NOTIFICATION. It was recommended that Section 3.03 of the Board of Regents Procedural Guide be amended to include the following new subsection:

- I. If the state board of regents office proposes increasing tuition for students at one or more of the institutions of higher learning under its control, not less than thirty days prior to the vote by the state board on the proposed increase, the board office shall send written notice of the amount of the proposed increase to the presiding officers of the student government organizations of the affected institutions. This notice shall include a copy of the proposed tuition increase docket memorandum prepared by the board office for the board's consideration.

The Board Office explained that this policy would be implemented as follows: As has been the case in the past, the Board Office would propose changes

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in tuition policy in September in a docket memorandum prepared for the board's consideration. The board would consider this docket memorandum at its September meeting but would not take a vote on it until the October meeting. The Board Office would provide student leaders at each of the Regent universities with a copy of its September docket memorandum at least thirty days prior to the date in October on which the board is expected to vote on tuition policy.

This suggested addition to the Board of Regents Procedural Guide is consistent with the Board of Regents' normal method of considering changes in tuition policies, while providing student leaders at the Regent universities with direct and appropriate notice of changes in tuition policy proposed by the Board Office.

President Brownlee said there had been some discussion in the Legislature about ensuring notice of tuition increases to student organizations. There had been considerable contact with campus student organizations and United Students of Iowa in drafting this proposed paragraph.

Regent Anderson said she had a concern that, as this proposed amendment is worded, students might get this notification at the meeting in September. She felt it was important that they actually receive this information before the September meeting. There were some problems for students last year in obtaining the material prior to the September meeting. Mr. Gross said last year the docket memoranda went to the institutions and the students then had to obtain it from the institutions. Some students had commented that they had difficulties getting copies of this material from their university. In the future, copies of this information will go directly from the Board Office to student organizations.

Mr. Gross said it was the intention of the proposed addition that the student governments actually receive the material before the board meeting, at about the same time the board receives its copies. Student leaders helping draft this amendment concurred in this version of the proposal.

MOTION:

Mrs. Murphy moved that the board approve the proposed amendment to Section 3.03 of the Board of Regents Procedural Guide by including a new subsection as shown above. Dr. Harris seconded the motion and it passed unanimously.

BOARD OFFICE PERSONNEL REGISTER. It was recommended that the board approve the following personnel transactions:

Appointment:

Deborah Ann Hunt, Assistant Director of Research and Academic Affairs, at an annual salary of \$31,000 plus the usual fringe benefits, effective March 20, 1984.

Resignation:

Eleanor E. Grice, Secretary II, effective March 22, 1984.

Reassignment:

Barbara Orend Baker, who will be assigned to the department of Academic Affairs as Secretary II from the Regents Efficiency and Cost Effectiveness Committee where she has been performing its secretarial duties. Ms. Baker's appointment will be effective March 23, 1984, Grade 106, Step 11, \$570.40 biweekly, with the usual fringe benefits.

Resignation:

Rebecca Spiess, Clerk Typist III, effective February 23, 1984.

Appointment:

Laurie Ann Helton, Clerk Typist III, Grade 106, Step 1, \$454.60 biweekly, with the usual fringe benefits, effective March 19, 1984.

Mr. Barak said he had been searching for an assistant for the last six months and was pleased to introduce Deborah Hunt, who had accepted this position.

MOTION:

Mrs. Anderson moved that the board approve the appointments of Ms. Hunt and Ms. Helton, the reassignment of Ms. Baker, and the resignations of Ms. Grice and Ms. Spiess. Mr. Duchon seconded the motion and it passed unanimously.

NEXT MEETINGS. Next meetings are as follows:

April 18	University of Iowa	Iowa City
April 19	Iowa Braille and Sight Saving School	Vinton
May 16-17	University of Northern Iowa	Cedar Falls
June 20-21	Iowa State University	Ames
July 11-12	University of Iowa	Iowa City
September 19-20	University of Northern Iowa	Cedar Falls
October 17-18		Des Moines
November 15	Iowa School for the Deaf	Council Bluffs
December 19-20	Iowa State University	Ames

President Brownlee then asked board members and institutional executives if there were additional matters to be raised for the general docket. There were none.

## STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Thursday, March 22, 1984.

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

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

W. Lee Shope as Director of the Weeg Computing Center effective July 1, 1984, at an annual salary of \$54,000.

President Freedman said Mr. Shope has been Acting Director of the Weeg Computing Center since 1982. He was the unanimous choice of the search committee, and the university was pleased to recommend this appointment.

MOTION:

Mrs. Jorgensen moved that the board approve the appointment of Mr. Shope as Director of the Weeg Computing Center effective July 1, 1984, at an annual salary of \$54,000. Mr. Neu seconded the motion and it passed unanimously.

REPORTS OF FACULTY DEVELOPMENTAL ASSIGNMENTS FOR 1982-83. It was recommended that the board accept the report on faculty developmental leaves for 1982-83 for the University of Iowa.

The board had approved a total of 123 leaves (115 in February 1982 and 8 in May 1982) for 1982-83, with an estimated net replacement cost of \$151,285. The actual number of leaves taken was 114, with a net replacement cost of \$160,035. The average cost per faculty member for 1982-83 faculty leaves was \$1,327. All of the leaves were for one semester.

The university reported that of the original 123 leaves requested in spring 1982, 12 have been deferred until 1983-84 and 2 leaves were not taken. This report includes 5 leaves that were approved for 1981-82 that were deferred until 1982-83.

The university's report provides a description of the accomplishments and activities completed during the leaves in addition to the faculty member's title, department, and period of leave. These activities included research, study and the development of new techniques in a variety of academic areas; preparation of books, chapters of books, papers, poems, compositions and other publications; data collection, the collection of information and the preparation of materials to be used in teaching; and the presentation of seminars, lectures, and scholarly papers.

President Freedman said that, as described in this report, 114 faculty members had these assignments out of 1500. That is 7 percent of faculty. In most universities, such an appointment is given once every 7 years. If the University of Iowa followed that pattern, 15 percent of faculty would have these appointments in any given year instead of 7 percent. It is not an accident that only 7 percent are awarded these leaves each year. The university does not grant developmental assignments in routine fashion. There is an approval process. The assignment must be related to the work the faculty member does and must further prepare him or her for teaching responsibilities. A second reason the university does not grant leaves to 15 percent of faculty is that, particularly in small departments, the university can't release the faculty member from teaching duties for a semester or a year.

President Freedman felt that more important than the numbers, however, is the range of interests of things faculty does while on developmental assignments. It is a mirror of the range of interests of the faculty. It is a list to be proud of. Faculty is on the frontiers of important areas. They are enriching themselves so when they return to the classrooms, students bear the fruit of those leaves. Faculty may learn new techniques and skills they didn't have before. Through developmental leaves, faculty members have obtained grants which bring to the university many thousands of dollars. Most important of all, in a year when there was no salary increase, the opportunity to continue the life of the mind is of tremendous importance to the morale of faculty and its contribution to students.

Vice President Christensen, speaking for Iowa State University, seconded President Freedman's remarks.

President Brownlee thanked President Freedman for his explanation of the importance of faculty developmental leaves.

MOTION: President Brownlee stated that the report of faculty development assignments for 1982-83 for the University of Iowa was accepted by general consent of the board.

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

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

University Hospitals--Computer Cine Tomography Scanner Suite--Boyd Tower  
Award to: McComas-Lacina Construction Co., Inc., Iowa City \$107,889.00

This project remodels two diagnostic radiography examination rooms to accommodate installation of a computed cine tomographic scanner. Architects on the project are Hansen Lind Meyer, Iowa City.

University Hospitals--Hospital Information Systems Remodeling  
Award to: Frantz Construction Co., Inc., Iowa City \$139,750.00

This project remodels a portion of the former surgery clinic on the first floor of the General Hospital to provide a consolidated office suite for the Hospital Information Systems Department.

Hospital School Entrance Canopy  
Award to: Schoff Construction Co., Lisbon, Iowa \$118,470.00

The board was also requested to approve a revised project budget for this project. In October 1983 the board approved a project budget totaling \$144,150 funded from University Hospital School Plant Development Funds. The university requested approval to redesignate funding for this project to the University Hospital School RR&A Fund.

University Hospitals--Blood Donor Center Renovation  
Award to: TRICON, Iowa City \$83,830.00

This project creates expanded facilities for the performance of blood donation as well as faculty and clerical offices.

Kinnick Stadium--Electrical Distribution System--Phase I  
Award to: Gerard Electric, Inc., Iowa City \$90,689.00

The project replaces the present heating system in the east concourse room with an electric system. The engineer is Shive-Hattery Engineers, Iowa City.

Quadrangle Residence Hall--Food Service Remodeling  
Award to: R. K. Construction, Inc., Iowa City \$174,700.00

This project renovates the interior of the north and south student dining rooms at the Quadrangle Residence Hall. The architect on this project is Hansen Lind Meyer, Iowa City, Iowa.

University Library--Improve HVAC System  
Award to: Universal Climate Control, Inc., Iowa City \$227,240.00

This project modifies the heating, ventilating, and air conditioning systems in order to maintain acceptable environmental conditions in the University Library. The project will be accomplished with minimal interruption of the library's use.

Hawkeye Drive Apartments--Heating Plant Replacement  
Award to: R. M. Boggs Co., Inc., Iowa City \$198,300.00

This project replaces the central steam boiler plant with individual building gas boilers and waters, which will be more economical and efficient. The project has an estimated payback period of three and one-half years.

The board was requested to approve the following construction contract:

Quadrangle--Electrical Renovation

Award recommended to: Tri-City Electric Co. of Iowa, Davenport

\$188,947.00

The Board Office explained that bids were received on this project on March 1, 1984. The two bids received were in excess of the approved construction budget. Seven electrical firms had obtained plans and specifications on the project. However, due to complexities of the work and time restraints involved in completing the work as scheduled, only two firms elected to bid. Documenting existing conditions of the electrical system proved more difficult than anticipated, and the apparent low bidder was approximately \$22,000 over the construction budget. The project has proved to be more complex and difficult than the university originally planned.

The university requested approval of a budget that was adjusted upward to reflect the higher than expected engineering and construction costs. The previously approved budget totaled \$223,000 and the revised budget proposed by the university is for \$242,447. The source of funds continues to be the Dormitory Improvement Reserve from which there are sufficient funds for this project.

This award was referred to the board because the recommended contract award exceeds the amount in the current construction budget. The Board Office recommended approval of the revised budget and the contract award.

The board was requested to ratify the following agreement:

Institutional Roads--1984

The proposed agreement is between the Board of Regents, through the University of Iowa, and the Iowa Department of Transportation authorizing design, construction, and construction management for three projects. The three projects are included in the 1984 State Parks and Institutional Roads Construction Program and are scheduled for construction in 1984. The proposed contract is the standard document prepared by the Iowa Department of Transportation. The Board Office recommended approval.

The board was requested to approve the following additional revised project budgets:

University Hospitals--Otolaryngology-Maxillofacial Support Areas Expansion

University Hospitals--HSOR Area Mechanical Work

University Hospitals--Otolaryngology Speech and Hearing Clinic and Psychoacoustics Laboratory Renovation

The university requested approval to modify the sources of funds for the above three projects. The funding revisions reflect the appropriate share of costs attributable to the College of Medicine, Department of Otolaryngology. The Board Office recommended approval.

The university reported 16 contract change orders. The change orders were on 15 different projects and ranged in price from \$521.02 to \$20,748. None of the change orders exceeded \$25,000, which would require prior board approval. A review of change orders is presently underway by Board Office staff.

The university reported the acceptance of 9 construction projects. In each case the final inspection of the work was made by representatives of the university, the contractor, and (where appropriate) the consultant. It was found the contractors had carried out the contract in accordance with the plans and specifications and the work was accepted as complete. Projects completed included Medical Research Facility--Water Pipe Replacement; Smoke Detector Installation--Phase B-2--Residence Hall System; Museum of Art--Air Conditioning Renovation; Carver Hawkeye Sports Arena--Contract #18--Fabric Skylight; University Hospitals--Whole Body CT Scanner Replacement--Boyd Tower; Hancher Auditorium--Roof Replacement; University Hospitals--Nuclear Magnetic Resonance Installation; University Hospitals--Roy J. Carver Pavilion--Phase C Completion; and University Hospitals--Diabetic Support Area.

The board was requested to approve the following new projects:

Medical Research Center--Replace Central Air Conditioning System--  
Rooms 4 through 14

Source of Funds: General University Building Repairs \$83,600.00

This project will replace inoperative central air conditioning systems in rooms 4 through 14. The nature of the activities housed in this area and the basement area requires a system which will function year round. The Physical Plant Department was designated as project engineer and inspection supervisor, and the construction work will be awarded through public bidding.

Medical Laboratories Building--Replace East Wing Roof

Source of Funds: General University Building Repairs \$30,000.00

The Physical Plant Department was designated as project engineer and inspection supervisor. The construction work will be awarded through public bidding.

Quadrangle Residence Hall--Fire Safety Alterations--1983--Phase II

Source of Funds: Dormitory Improvement Reserves \$157,500.00

This project will correct fire safety deficiencies identified by the state fire marshal in this residence hall. The architectural firm of Wehner, Nowysz, Pattschull and Pfiffner, P.C., Iowa City, was designated as project architect. The Physical Plant Department will serve as inspection supervisor. The board was also requested to ratify the university's selection of this firm as architect for the project, with compensation not to exceed \$13,250.

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

University Hospitals--Roy J. Carver Pavilion--Phase C Completion

Ratification was requested for an increase of \$6,364.72 in compensation to Hansen Lind Meyer, Iowa City, for additional architectural services

University Hospitals--Surgery Inpatient Support Remodeling

The university requested ratification of its selection of Miner Consulting Engineers, Rock Island, Illinois, on this project. Total compensation shall not exceed \$1,746.

University Hospitals--John W. Colloton Pavilion--Phase B

Ratification was requested for an increase in compensation of \$5,491.50 to Hansen Lind Meyer, Iowa City, for additional architectural services related to the addition of a third bay on the fourth floor clinic.

The board was also requested to approve an increase in compensation to Hansen Lind Meyer, Iowa City, for additional architectural services on this project related to the university's acceptance of an alternate during the project bidding. The alternate covers finishing an atrium extension, adding two elevators, and including two phases of building automation system. The increase in compensation to Hansen Lind Meyer for the alternate and the analysis of possible alternative solutions to code requirements for enclosing elevator lobbies in the pavilion is for \$46,225.

Sundeck Renovation--Burge and Daum Halls

Ratification was requested for an increase of \$1,000 in compensation to Harvey W. Henry and Associates, Coralville, Iowa, for additional architectural services.

University Hospitals--Hospital Information Systems Remodeling

Ratification was requested for an increase of \$515.69 in compensation to Shive-Hattery Engineers, Iowa City, for additional engineering services.

University Hospitals--Sterilizer Equipment Room Renovation--Boyd Tower

The university asked for ratification of its selection of Hansen Lind Meyer, Iowa City, for architectural services on this project. The total compensation shall not exceed \$15,500.

Law College--Utilities Services

Ratification was requested for an increase of \$863 in compensation to Shoemaker & Haaland Professional Engineers, Coralville, for additional services.

Steindler Building--Exterior Refurbishments

The university requested ratification of its selection of Wehner, Nowysz, Pattschull & Pfiffner, Iowa City, to provide architectural services on this project. No construction budget has been established for this project. The total compensation shall not exceed \$7,050.

University Hospitals--Center for Digestive Diseases Procedure Unit

Ratification was requested for an increase of \$8,040 in compensation to Hansen Lind Meyer, Iowa City, for additional architectural services.

Steindler Building--Improve Air Conditioning--Medical Photography Area  
Source of Funds: General University Building Repairs \$26,550.00

This project is to correct the problems of overheating and inadequate exhaust in the medical photo area. Quotations to do the construction work will be obtained through the Purchasing Department. The Physical plant will provide construction supervision.

The following three projects are included in the 1984 Institutional Roads Program, and construction is expected to be completed during the 1984 construction season. Work will be accomplished by competitive public bidding, and the Iowa Department of Transportation will approve and concur in the award of the contract.

The engineering firm of Shive-Hattery Engineers, Iowa City, was designated as engineer, and the Physical Plant Department will serve as inspection supervisor for the three projects. Subject to the concurrence of the Iowa Department of Transportation, the board will be asked at its next meeting to approve the selection of Shive-Hattery Engineers for engineering services on these three projects.

Approval of these projects is recommended pending the availability of adequate Institutional Road Funds. The Board Office recommended continuing review of the availability of funds. It noted that there are diminished Institutional Road Funds available for both construction and maintenance due to IDOT's reduction in the Regent fund allocation from 36 to 30 percent. This will seriously constrain the Regents' road construction program. The Board Office urged the university to monitor closely its maintenance needs to ensure the availability of necessary funds for capital improvements.

Widen Section of Newton Road for Transit Interchange  
Source of Funds: 1984 Institutional Roads Fund \$17,300.00

This project will construct a turnaround near the North Tower entrance to University Hospitals to alleviate traffic jams.

Recreation Building Road Modifications  
Source of Funds: 1984 Institutional Roads Fund \$58,100.00

This project will redesign the intersection of Hawkins Drive and Recreation Building Road to improve vehicular traffic at the east leg of the intersections.

Mormon Trek/Hawkeye Drive Intersection--Reconstruction and Signalization  
Source of Funds: 1984-85 Institutional Roads Fund \$86,500.00

This project will provide turning lanes on Mormon Trek and expand the corner on Hawkeye Drive. The result will be improved safety at the intersection and improved accessibility to the married student housing area. Funding for this project is \$59,100 from 1984 Institutional Road Funds and \$27,400 from 1985 Institutional Road Funds.

Replacement of Heating and Cooling Piping Systems--Van Allen Hall I and II, Phillips Hall, and English/Philosophy Building

Ratification was requested for an increase of \$1,900 in compensation to Shive-Hattery Engineers, Iowa City, for additional engineering services.

Coal Combustion Residue Disposal Facility--Site Location, Evaluation, and Permitting

The Board was asked to approve a contract with Stanley Consultants, Inc., Muscatine, Iowa, for this project. The project will involve a site location, evaluation, and permitting study from which the university can eventually construct a replacement landfill for its coal combustion residue. Compensation for these services shall be computed on a basis of a multiple of direct personnel expenses with a fixed maximum of \$64,300.

Hancher Auditorium--State Lighting Control Study

The university requested ratification of its selection of Buerki Brennan Associates, Milwaukee, Wisconsin, to provide engineering services on this project. Total compensation shall not exceed \$3,400.

University Hospitals--Whole Body CT Scanner Replacement

Ratification was requested for an increase of \$3,220 in compensation to Hansen Lind Meyer, Iowa City, for additional architectural services.

Energy Management Program--Building Automation

The Board Office explained that the Iowa Energy Policy Council intends to award an Energy Management Demonstration Grant in the amount of \$575,000 to the University of Iowa. Those funds will be matched with funds from 1981 Academic Revenue Bonds to purchase 30 microprocessor automation systems for installation in 17 buildings to control energy utilization.

The university requested permission to negotiate a contract with Shive-Hattery Engineers, Iowa City, for engineering services for the project. The fee would not exceed \$25,000.

MOTION:

Mrs. Jorgensen moved that the board approve the Register of Capital Improvement Business Transactions for March 1984; ratify award of construction contracts made by the executive secretary; award the construction contract; approve the revised project budgets; approve the Institutional Roads 1984 agreement with IDOT; approve the new projects; ratify and approve the consultant contracts; approve the negotiation for engineering services; and authorize the executive secretary to sign all necessary documents. Mrs. Murphy seconded the motion and it passed unanimously.

LEASES OF PROPERTY. It was recommended that the board approve:

- a) The lease with St. Joseph Hospital, Ottumwa, Iowa, for the use of Rooms 203, 204, and 205 in the hospital's building at 317 Vanness Avenue, Ottumwa, Iowa, at an annual rent of \$2,232, commencing April 1, 1984, and ending March 31, 1985.

The board currently rents rooms 203 and 204 in the hospital for the Southeast Regional Office of Iowa Specialized Child Health Services. Additional space for the program had been donated and is no longer available. The hospital agreed to make available an additional room to handle the program needs. The leased space utilized by the program will go from 321 square feet to 459 square feet. The rate for the lease will increase by 10.3 percent (from \$4.41 per square foot per year to \$4.86 per square foot per year). The cost of space for the program will increase by 57.6 percent (from \$1,416 currently to \$2,232 under the new lease).

The university reported the rent to be fair and equitable. Pursuant to Executive Order No. 44, the university considered vacant schools in Ottumwa and found that they did not meet the program needs of the university.

- b) The lease with CADSI for the use of space on the first floor of Oakdale Hall, University of Iowa, rooms A101 to A110, at a monthly rent of \$1,690 (\$10 per square foot per year for 2,028 square feet), beginning April 1, 1984, and ending August 31, 1984.

The Board Office explained that in September 1983 the board approved a lease of space to Computer Aided Design Software, Inc. (CADSI) for a period not to exceed six months, beginning approximately October 1, 1983. The university reported that lease would expire March 31, 1984, and requested a five-month extension. The monthly rent paid by CADSI is calculated at a rate of \$10 per square foot per year for space utilized to a maximum of 2,028 square feet.

President Freedman told the board that the CADSI lease relates to a new and important university undertaking. He requested that after the board had taken action on this lease it allow Vice Presidents Ellis and Spriestersbach to talk about CADSI. President Brownlee said if there were no objections from board members, they would follow this procedure.

Regent Anderson asked if other space on campus was rented to for-profit organizations. Vice President Spriestersbach said the Technical Innovation Center (TIC) was seeking funds to develop other space at Oakdale for small businesses who need a place to get started. This is consistent with a philosophy followed at a number of institutions throughout the country to provide "half-way houses" for these small businesses. The rents are comparable to other space in Iowa City.

MOTION:

Dr. Harris moved that the board approve  
a) the lease with St. Joseph Hospital,  
Ottumwa, Iowa, for the use of Rooms 203,  
204, and 205 in the hospital's building  
at 317 Vanness Avenue, Ottumwa, Iowa, at  
an annual rent of \$2,232, commencing April 1,  
1984, and ending March 31, 1985, and b)  
the lease with CADSI for the use of space  
on the first floor of Oakdale Hall, Uni-  
versity of Iowa, rooms A101 to A110, at  
a monthly rent of \$1,690 (\$10 per square  
foot per year for 2,028 square feet),  
beginning April 1, 1984, and ending  
August 31, 1984. Mrs. Anderson seconded  
the motion, and upon the roll being called  
the following voted:

AYE: Anderson, Duchen, Harris,  
Jorgensen, Murphy, Neu, Brownlee

NAY: None

ABSENT: McDonald

COMPUTER AIDED DESIGN SOFTWARE, INC. (CADSI). Vice President Priestersbach gave the board a brief history of relevant developments. He said that while research is conducted in many areas of society, it is accepted that much is done at universities. That being the case, effective mechanisms must be established to be sure results of research are available to the private sector and for the public welfare. The University of Iowa Research Foundation provides that mechanism for the University of Iowa.

The Research Foundation was established under the auspices of the University of Iowa Foundation. Therefore, because of its mission and for legal reasons, the Research Foundation exists somewhat removed from the university itself. It is charged to take all prudent actions that would protect university interests in the transfer of intellectual property.

Vice President Priestersbach said the board needs no reminder that the invention of the computer is having a profound effect on our lives. One of these is the effect on the way in which we design and manufacture durable goods. Engineering schools must know these processes and, further, must teach them. It follows, therefore, that the College of Engineering at the university has faculty that teaches and does research in this area. One of the developments of this group of faculty is a computer code which the university believes is the most powerful of its type ever designed. It has implications for developing and manufacturing everything from automobiles to robots. After careful study, the board of the Research Foundation authorized its executive unit to market and design this code as Dynamic Analysis and Design System (DADS). It was understood that at some point the university would request the Board of Regents' approval to transfer this intellectual property to the Research Foundation which in turn will transfer it to CADSI.

Vice President Ellis said CADSI was incorporated by the University of Iowa Research Foundation in September 1983. CADSI then leased space from the

university at Oakdale (the lease just renewed, above). The university had brought information concerning CADSI to the board in December and January (see Minutes pp. 341-343, 389). In January, the university told the Regents it hoped to come back with a definite proposal for the transfer of this intellectual property no later than the March meeting. Vice President Ellis said that, regrettably, the university does not yet have financing in place. The whole process has taken a longer time than first anticipated. The Research Foundation has made a loan to CADSI so it can operate.

Vice President Ellis said that despite conversations with a number of venture capital financiers, financing has not been forthcoming. There is a unanimous reaction of excitement at the product, but also a hesitancy based on the lack of managerial and marketing expertise in CADSI. CADSI lacks an executive officer to make the firm go, and capital is needed to attract an executive officer. CADSI was now searching for interim arrangements to put a chief executive officer in place. Vice President Ellis expected those arrangements would soon produce results. The university might have to request a special meeting of the board to transfer the property to CADSI before the regular April meeting.

Regent Jorgensen was concerned that the CADSI proposal would be in competition with private industry. Given the traditional method of the Research Foundation in dealing with products of research, she asked why the university was choosing this method.

Vice President Ellis said the more traditional route would be to patent. In this instance it was the view of the creators of the software and the Research Foundation that the CADSI method was a more feasible means of maximizing returns from this development. The product as it now stands is not commercially viable. It is not yet user friendly. Beyond this, the code must be tailored for each particular industry that might use it. Again, that is development that must take place before it can be marketed. He had been told that university-produced software in naked form is of little value. In terms of competition, it is true that CADSI will be competing, but CADSI will be financed by private investors. It was not anticipated that the university would have a controlling interest after the early corporate period. Vice President Spriestersbach said it really comes down to an economic consideration. The university doesn't want to sell something for five cents if it can get a dollar.

Vice President Ellis said the very attractiveness of the relationship between CADSI and the university raises a potential source of concern on the integrity of the university's mission. The university has from the outset been aware of this problem, and had taken numerous precautions to identify and preclude possible conflicts of interest between the university and CADSI. The university will stay out of manufacturing the software. He felt that is improper and diverts the mission of the institution. He told Regent Neu that some universities are actually manufacturing software. Vice President Ellis added that they had attempted to maintain a barrier between the commercial firm and the university.

Regent Duchen said that no matter how it is stated, it is not a clean cut structure, and he didn't like it. Men get greedy and things go wrong. He was a director for a company in a similar venture that failed. He felt if this happened it would be extremely embarrassing to an educational institution.

Regent Jorgensen asked another program were developed later, the university would envision using the same corporation or if it would try something new. Mr. Ellis said it depends on what it is. If it made a logical extension of this code or made a marketing package, it could be the same corporation. It is conceivable that another type of software would come from a different part of the university. That would suggest the creation of a separate firm.

Vice President Ellis said it was anticipated that CADSI will contract with the university for further research in the same way other firms do. He said SUI had observed problems at other institutions and proposed procedures for a far sharper separation than had been observed at other institutions where it appears the commercial interests are driving the research.

President Brownlee noted that companies all over the country are asking manufacturers to let them design computer programs. They may employ thousands of people. He asked how CADSI expected to compete with them in marketing. Vice President Priestersbach said the product under discussion is really unique. It is not just a new computer code, but a very sophisticated one. However, it is not patentable. Dealing with computer software is different than other forms of intellectual property.

Regent Duchen repeated that not all such ventures are successful. They require large amounts of capital. There are tremendous research and development needs which are very costly items in operating budgets. He was bothered by the idea of the university using its talents to cut a company payroll in the cost of research and development.

Vice President Ellis said that, while not clean cut, basically the firm CADSI will do the development. Research to produce a code of the next generation is of a level appropriate for the university to carry out. The university could contract with CADSI to do the next generation of the code. That is common in university relations with industry now. There are regular procedures for industries to take advantage of university research skills.

Regent Jorgensen said the research for this product has been done. If it is not marketed, it will be lost. She saw this as an opportunity with a lot of problems but at least a chance to do something. If it is a failure, nothing will be lost.

Vice President Priestersbach said the university has a national and international reputation in this area. Many sources had been consulted about this development, and the university has been told over and over that it is unique and special.

President Brownlee noted that the university has approached the problem of conflict of interest as well as it could. It is not clean cut but it can't be. He asked if there is any possible liability for the university in the future.

Vice President Ellis said he didn't see any way in which the university could be held liable. The corporation will be independent. The university won't be controlling it. Further, it is incorporated by the Research Foundation, an independent non-profit corporation. He said it can't be certain that the venture won't be a failure. But the only loss to the university will be its failure to realize the economic potential from this computer code. If the university doesn't make this attempt, there is no chance of gain. The university intends to make certain all appropriate disclosures are made in disposition of securities to comply with federal and state law. The university has special counsel assisting with this.

Regent Duchon said at some point the venture capitalist will go public. That is the normal procedure. The danger in this situation is that if the venture then failed, it would erode years and years of public relations between the citizens of the state and the university. He asked if the university was prepared to face this type of situation.

Vice President Spriestersbach said it was the assumption that it will not go public until the product is established and going. President Brownlee asked if this could be controlled. Vice President Ellis said there is no way to avoid fraudulent representation by someone selling securities. Conceivably a person who was engaging in fraudulent behavior can besmirch the university. This could happen but he did not think it was a great risk.

Regent Anderson said she believed the concerns raised are valid. Almost anything has the possibility of failure. However, the state is looking to the universities to move into this area. She supported it strongly. She believed that this is potentially a very successful endeavor. It is new in the state. It may fail but it is the beginning of some sort of a breakthrough. She knew that many manufacturers are using this type of code. If this new code is beyond what is currently in use in state of the art, it can't be anything but good. She thought the university was right in terms of wanting to move quickly.

Regent Harris said he, too, strongly supported this even though obviously it is not without risk. He noted that the university had learned from the mistakes of other institutions about the dangers of conflict of interest and diverting resources from the academic area to research. The University of Iowa was attempting to avoid these problems.

President Brownlee said the board will have to decide how much control it will have. He was concerned that the university said it might be necessary to have a special meeting and move in a hurry. Vice President Spriestersbach said it was not intended that the board must decide this immediately. On the other hand, the university had been told repeatedly that this is a very volatile, fast moving market and timing is critical.

President Brownlee asked if the university would come to the board for the transfer of intellectual property after it knows who will provide the capital. Vice President Spriestersbach said that it would.

President Brownlee said Vice Presidents Spriestersbach and Ellis and their colleagues should examine the points of merit raised by Regent Duchon, and they must scrutinize the initial investor in terms of background. He felt the board needs to be involved at that point. It is obviously a concern on how the university will be represented when CADSI goes public.

RESIDENCE SYSTEM RATES, 1984-85. It was recommended:

1. That the board approve the proposed rate schedule for the Department of Residence Services to be effective beginning with the 1984-85 academic year for the residence halls. The rate for a double occupancy room with full board is proposed to be \$2,051 per occupant, an increase of \$75 or 3.8 percent over 1983-84.
2. That the board approve the proposed rate schedule for family housing units beginning with new and renewed leases May 1, 1984. Increases of 2.3 percent to 4.4 percent are proposed.
3. That the board accept the proposed residence system preliminary budget estimate for 1984-85, subject to further review and action when university operating budgets are approved for 1984-85.

The University of Iowa reported average rate increases of 3.7 percent for residence hall room and board and 3.3 percent for family housing units. These relatively modest increases are possible as a result of high occupancies and of funds available from surplus operating revenues, as discussed below.

The university reported that the Associated Residence Halls (the residence hall student government organization) participated in the rate setting process and recommended the proposed rate distribution for the various housing options.

The university proposed a preliminary revenue budget for 1984-85 of \$18,593,850 with \$14,680,402 in expenditures for operations and the remainder for debt service, reserves, and university overhead. This budget represents a 2.3 percent increase in revenues and 6.2 percent increase in operating expenditures.

Bond resolutions for outstanding bonds require minimum payments and transfers as follows for 1984-85:

Debt service (principal and interest--Sinking Fund)	\$2,028,545
Mandatory transfers to reserves (Bond Reserve Fund and Improvement Fund)	\$ 600,000

The bond resolution further requires that the ratio of net operating income to debt service due must exceed 1.5 for additional bonds to be issued. This ratio, with the budget proposed for 1984, would be 1.9, which is reasonable and provides an acceptable margin.

The 1984-85 proposed budget indicates net revenues (after deducting expenditures for operations, debt service, and mandatory transfers) of \$1,284,903. This represents 6.9 percent of total revenues, a percentage which has decreased from 12.9 percent in 1982-83. As noted below, this decrease is intentional, and is possible as a result of previous growth in voluntary reserves.

Funds remaining after operating expenditures, debt service, and mandatory transfers are available for voluntary reserves. Voluntary reserves include the Operation and Maintenance Fund, Improvement Fund, and Surplus Fund. For 1984-85, the total balance in voluntary reserves as of June 30 is expected to be approximately \$2.6 million or 13.8 percent of anticipated revenues. This is a significant drop from voluntary reserves of 28.7 percent of revenues in 1982-83, but represents deliberate action on the part of the university. It is indicated that voluntary reserves have grown faster than required and that despite heavy payout for planned capital improvements in 1984-85, a portion of the reserves can be used now to reduce the effects of inflation on rate structures. It is unlikely that this surplus will be available in future years, but it allows the recommendation of moderate residence hall increases for 1984-85. The university reported that the level of voluntary reserves will remain above 10 percent of revenues, which is generally accepted by the institutions as a minimally prudent level.

The Board Office reported that mandatory reserves, which include the Sinking Fund, Bond Reserve Fund, and Construction Fund, are expected to total \$3.3 million as of June 30, 1985. This total represents 17.9 percent of revenues. The Construction Fund, which has included proceeds from the sale of bonds for the Mayflower Apartments, will be completely used before the end of 1984-85. The Sinking Fund and Bond Reserve Fund are maintained in accordance with bond resolutions.

The Board Office concluded that the preliminary expenditure budget is based on reasonable projections of costs for 1984-85. The proposed rates for residence halls and family housing units appear to be sufficient to generate adequate revenues to cover expenditures for operations, debt service, mandatory reserves, university overhead, repair and renovation of the physical plant, and reasonable and prudent voluntary reserves. The university's approach of drawing down the level of such reserves is prudent now, although it may not be possible in the future.

Vice President Ellis commented that the university is pleased that it has been able to keep rates low and still operate on a sound financial condition. The university is mindful of student concerns of the total cost of attending college.

MOTION:

Mrs. Murphy moved (1) that the board approve the proposed rate schedule for the Department of Residence Services to be effective beginning with the 1984-85 academic year for residence halls. The rate for a double occupancy room with full board is proposed to be \$2,051 per occupant, an increase of \$75 or 3.8 percent over 1983-84; (2) that the board approve the proposed rate schedule for family housing units beginning with new and renewed leases May 1, 1984. Increases of 2.3 to 4.4 percent are proposed; and (3) that the board accept the proposed residence system preliminary budget estimate for 1984-85, subject to further review and action when university operating budgets are approved for 1984-85. Mrs. Anderson seconded the motion and it passed unanimously.

RESIDENCE SYSTEM INTERFUND TRANSFER. It was recommended that the board approve the proposed transfer of \$1,000,000 to the Dormitory Improvement Fund from the Dormitory Surplus Fund.

The Board Office explained that the 1963 bonding resolution for the University of Iowa dormitory system authorized the transfer of \$480,000 per year from dormitory operating revenues to the fund used to pay for dormitory repairs, remodeling, and alterations. With the acquisition of the Mayflower Apartment building in 1983, bond resolutions provided for an additional \$120,000 in mandatory transfers to this improvement fund and the bond reserve fund. The resulting \$600,000 total substantially understates the need for on-going equipment replacement, renovation, and major repairs within the system. Thus the university has from time to time requested transfers to the improvement fund from surplus operating revenues as authorized by bond covenants.

Based on institutional estimates, residence system surplus reserves should be approximately \$2,200,000 at the close of 1983-84 after the \$1 million requested transfer. Overall, the university Residence System's financial picture remains strong through FY 1983-84. According to the university's Residence System ten-year plan, the system should very likely remain in a strong financial position for the next ten years.

MOTION:

Dr. Harris moved that the board approve the transfer of \$1,000,000 to the Dormitory Improvement Fund from the Dormitory Surplus Fund. Mr. Neu seconded the motion and it passed unanimously.

President Brownlee then asked board members and institutional executives if there were other 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 22, 1984.

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

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

Dr. Arvid R. Eide as Professor and Chair of the Department of Freshman Engineering. This reappointment as Chair is effective July 1, 1984, and terminates June 30, 1989. Salary as budgeted.

Dr. Keith L. McRoberts as Professor and Chair of the Department of Industrial Engineering. This reappointment as Chair is effective July 1, 1984, and terminates June 30, 1989. Salary as budgeted.

MOTION: Dr. Harris moved that the board approve the reappointments of Drs. Eide and McRoberts. Mrs. Jorgensen seconded the motion and it passed unanimously.

RESIDENCE HALL RATE INCREASE AND PRELIMINARY BUDGET, 1984-85. It was recommended:

1. That the board approve the proposed rate schedules for residence halls effective June 1, 1984. The rate for a double occupancy room with full board is proposed to be \$1,848 per occupant, an increase of 2.0 percent or \$36 over 1983-84.
2. That the board approve the proposed rate schedule for family/single student apartment housing effective July 1, 1984. Monthly rates are proposed to increase from 2.1 percent to 4.0 percent.
3. That the board accept the proposed residence system preliminary budget estimates for 1984-85, subject to further review and action when university operating budgets are approved for 1984-85.

Iowa State University indicated that its average increase in residence hall room and board rates is 1.99 percent and the average increase in student apartment rents is 2.76 percent. These relatively modest increases are possible as a result of anticipated continued high occupancy rates and healthy balances in reserve funds.

The university indicated that student leaders from all university housing areas have been included in the rate proposal process and that they accept the rate proposal. The student apartment council recommended the method of distributing the rent increases over the different apartment rental areas.

The Board Office reported that a preliminary revenue budget of \$22,375,299 is proposed for 1984-85 with estimated expenditures for operation of \$19,125,299 and the remainder for debt service, reserves, and university overhead. The budget proposal includes anticipated revenue increases of 1.8 percent and increases in expenditures for operation of 7.1 percent.

Bond resolutions for outstanding bonds require minimum payments and transfers as shown below for 1984-85:

Debt Service (principal and interest-- Sinking Fund)	\$1,789,985
Mandatory Transfers (Bond Reserve Fund and Improvement Fund)	500,000
TOTAL	<u>\$2,289,985</u>

The bond resolution also requires 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 Board Office said the proposed ratio of 1.8 is reasonable and provides an acceptable margin. The 1984-85 proposed budget indicates net revenues (after deducting expenditures for operations, debt service, and mandatory transfers) of \$960,015. This represents 4.5 percent of total revenues, a level approximately the same as the board approved budget for 1983-84, but less than the 8.3 percent reported for the revised 1983-84 estimates.

Net revenues, after expenditures, are available for voluntary reserves. Voluntary reserves include the Improvement Fund and Surplus Fund with a total projected reserve balance as of June 30, 1985, of \$2.3 million. This projected balance will represent 10.5 percent of revenues, a decline from 19.8 percent in 1982-83. The university indicated that voluntary reserves are being drawn down by expenditures of approximately \$2.9 million for major repairs, renovations, and improvements including major Friley Hall renovations. Voluntary reserves will remain at a reasonable and prudent level, but it is questionable whether voluntary reserves should drop below this level. It is not probable that surpluses in reserves will be available to help keep rates down or to permit repeated major drawdowns in future years.

Mandatory reserves include the Sinking Fund and Bond Reserve Fund. Balances in these funds will total \$3.1 million at the end of the 1984-85 year, representing 13.7 percent of revenues. These funds are maintained in accordance with requirements of bond resolutions.

The Board Office concluded that the university's preliminary expenditure budget appears to be based on reasonable projections of costs for 1984-85. The proposed residence system rates appear to be sufficient to generate

adequate revenues to cover expenditures for operations, debt service, mandatory reserves, university overhead, repair and renovation of the physical plant, and reasonable and prudent voluntary reserves.

MOTION:

Dr. Harris moved (1) that the board approve the proposed rate schedules for residence halls effective June 1, 1984. The rate for a double occupancy room with full board is proposed to be \$1,848 per occupant, an increase of 2.0 percent or \$36 over 1983-84; (2) that the board approve the proposed rate schedule for family/single student apartment housing effective July 1, 1984. Monthly rates are proposed to increase from 2.1 percent to 4.0 percent; and (3) that the board accept the proposed residence system preliminary budget estimates for 1984-85, subject to further review and action when university operating budgets are approved for 1984-85. Mr. Neu seconded the motion and it passed unanimously.

TELECOMMUNICATIONS PROJECT (ORAL REPORT). Vice President Moore reported that negotiations are continuing with the consulting firm to clear up the specifics for bidding. There has been some delay on the part of the consultants, but the university hoped these specifications would be ready this month.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final register for February 17 through March 22, 1984, had been received, was in order, and was recommended for approval.

The board was requested to ratify executive secretary award of the following construction contract:

Agronomy Building Addition--Phase I

Award to: PCL Construction, Ltd., Minneapolis, Minnesota      \$625,800.00

The university also presented an amended project budget for approval showing the above award, as well as the previous award, within an overall budget of \$26,700,000. The revised budget retains the same source of funds with \$26,050,000 from Academic Revenue Bonds and \$650,000 from Alumni Achievement Foundation funds. This phase includes demolition, footings, and foundation work for the Agronomy Building Addition.

The board was requested to take action on the following:

Freeman, Oak, and Elm Halls--Window Replacement

Bids were taken on this project on March 6, 1984. Three bids were received. The low bid for the base proposal exceeded by \$36,862 the estimated con-

struction cost of \$80,000. This amount is above the cost of similar work bid previously. Because the bids exceeded the budget and appear in excess of reasonable estimates for the work, it was requested and recommended that the board reject all bids received. The university will modify the specifications and rebid the project at a later date.

The board was requested to approve the following revised or amended project budgets:

Utilities--Heating Plant--Steam System Improvements

This project was first reported to the board in June 1983. The results of an engineering consultant's study conclude that additional work is required to complete the project as initially intended. The recommended modifications significantly expand the scope of the project. The project budget was proposed to increase from \$40,000 to \$200,000. The source of funds for the initial budget and increase are Utility Equipment Repairs.

Curtiss Hall--General Remodeling

In July 1983 the board approved a \$575,000 project which involves remodeling and updating the four floors of Curtiss Hall. In September 1983 the university submitted a revised project budget increasing the cost to \$775,000 with the total amount of the project funded from Income from Treasurer's Temporary Investments. The scope of the project was expanded to include an air handling system for the building that would provide air conditioning throughout the building and allow removal of inefficient window air conditioning units.

The architect's construction cost estimate for the project indicates the need for an increase of \$75,000 in the project budget, bringing the total to \$850,000 with \$730,000 funded from Income from Treasurer's Temporary Investments and \$120,000 from the 69th G.A. Academic Revenue Bonds (Fire Safety Bonds).

The university reported ten contract change orders ranging from a credit of \$125 to an addition of \$19,937. None required board approval.

The university reported five completed construction projects. Inspection of each project found that the work was complete and complied with the plans and specifications. These projects were: Utilities--Heating Plant Improvements--Installation of Ventilation Air Handling Units; Accessibility Modifications for the Orthopedically Handicapped--Phase III--Nuclear Engineering Elevator; Utilities--Campus Improvements--Steam Tunnel Electrical Improvements; MacKay Hall--Renovation for Institution Management; and Synchrotron--Remodel for Geotechnical Research Laboratory.

The University submitted final reports on nine projects. The Board Office said all were in order and recommended for approval. These included: Veterinary Medicine Facilities--Mechanical System Modifications;

Engineering Annex--Remodel Second Floor; Communications Building Addition; Campus--Bicycle Racks; Razing and Disposal Projects--1979; Fire Service Education--Storage Building; Heating Plant--Oil Storage Building; Bessey Hall--Evaporative Coolers; and Carver Hall--Exterior Joint Repairs.

The board was requested to approve the following new projects:

Utilities--Electrical Interchange Study

Source of Funds: Fuel Savings \$9,000.00

The university and the city of Ames are initiating a study and evaluation of alternatives for routing a tie line between the city of Ames' electrical system and the Iowa Electric Light and Power Co. electric system. This study is expected to cost \$18,000 with the city paying one-half the cost. The project will address the long-range electrical system requirements of both the city and the university. This study is needed in order to implement the Efficiency and Cost Effectiveness Committee's recommendation on purchasing economical electrical power.

The university also requested approval of a contract with Burns & McDonnell of Kansas City, Missouri, for engineering services related to this project. Compensation will be based on a multiple of direct personnel expenses with a fixed maximum of \$18,000. Source of funds is Fuel Savings with maximum cost to the university of \$9,000.

Utilities--Residence Hall Electrical Service Improvements

Source of Funds: Dormitory System Surplus \$100,000.00

The university requested approval of a new project that will upgrade the existing electrical system. The Friley, Helser, Oak, and Elm Halls require electrical service improvements due to existing system overloads. This work is to be performed by university personnel.

Utilities--Heating Plant--Replace #5 Boiler Superheater

Source of Funds: Utility Equipment Repairs \$200,000.00

A conversion of the boiler in 1978 to all-coal operation has resulted in severe and frequent plugging of the superheater section by fly ash and other particulate matter. This reduces the operating efficiency of the boiler and requires the boiler to be taken out of service.

The university said it intends to engage Brown Engineering Co. of West Des Moines to provide engineering services for this project. The manufacture and installation of the new superheater will be accomplished through standard competitive bidding procedures.

Utilities--Oak and Linden Halls--Chilled Water Extension

Source of Funds: Dormitory System Surplus

This project will extend the central system chilled water lines to serve the dining room, kitchen, and lounges of Oak and Linden Halls. The university proposed to negotiate with Brown Engineering Co. of West Des Moines

to provide engineering design services for the extension. These services will include developing a budget estimate for the project. The budget estimate and the design services agreement conditions will be brought to the board when they are developed.

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

Utilities--North Campus Storm Sewer Addition--Foundation Drain System for Tunnel "D"

The university requested ratification of an agreement for additional services with Engineering Plus of Ames. This request will increase the maximum compensation payment to the firm on this project from \$8,000 to \$10,000.

Aerial Mapping

In February 1984 the board approved the university's request to establish a project involving aerial photogrammetry of the university campus. The university received cost information from several firms and negotiated an agreement with Aerial Services, Inc., of Cedar Falls. Compensation for aerial photography, ground control, computer data basing, mapping, and transparencies will be based on scheduled rates with a maximum of \$40,000 payable under the agreement.

Iowa State Center--Structural Maintenance and Repair

In July 1983 the board ratified the selection of Bossenberger Associates Structural Engineers of Ames to provide engineering services for the project. The university now requested a structural evaluation of various areas of Hilton Coliseum and C.Y. Stephens Auditorium for occupancy of the public during storm emergencies. These services are above the scope of the original contract.

Compensation for the additional services will be based on the engineer's standard hourly rate with a maximum of \$1,000. This action will increase the engineer's total contract maximum to \$9,000.

MOTION:

Mr. Neu moved that the board approve the Register of Capital Improvement Business Transactions for February 17 through March 22, 1984; ratify award of construction contracts made by the executive secretary; reject the bids on the Freeman, Oak, and Elm Halls Window Replacement; approve the revised and amended project budgets; accept the completed construction contracts; approve the final reports; approve the new projects; approve the use of physical plant forces; approve the negotiation for engineering services; ratify and approve the consultant contracts; and authorize the executive secretary to sign all necessary documents. Mrs. Anderson seconded the motion and it passed unanimously.

NAMING OF BUILDINGS. President Brownlee said that buildings on university campuses are often named for persons after a career has ended, but not always. Sometimes, when someone has served an institution with outstanding ability and devotion, this naming occurs while the person is still on the job. He said he wished to read a letter from the Iowa State University Advisory Committee on the Naming of Buildings and Streets, who wished to bring a recommendation directly to the Board of Regents rather than through the customary administrative channels. The letter stated, in part:

The committee recommends for the board's consideration the naming of the Iowa State University Library in honor of William Robert Parks and Ellen Sorge Parks.

The justification for this recommendation hardly needs elaboration. President Parks' support for the Library throughout his entire tenure as president is well known. The excellence of the University is the work of many hands, but clearly a determining force in its growth and development during the last two decades has been that of Dr. Parks.

The deep interest which Ellen Parks has taken in the Library is also well known. Herself a scholar with a doctoral degree in political science, Mrs. Parks has taken special interest in various aspects of the Library and is one of its most consistent users.

It is entirely appropriate that the University Library be known as the William Robert Parks and Ellen Sorge Parks Library in recognition of the contribution of the two scholars to whom the university is so greatly indebted.

MOTION:

Dr. Harris moved that the board approve the naming of the Iowa State University Library as the William Robert Parks and Ellen Sorge Parks Library. Mr. Neu seconded the motion.

President Brownlee said he supported this motion with great enthusiasm.

VOTE ON MOTION:

The motion passed unanimously.

President Parks said he was exceedingly honored and particularly pleased that Mrs. Parks was included in the honor. He said, "Ellen is a true intellectual. She loves libraries and this one in particular."

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

## UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Thursday, March 22, 1984.

President Curris introduced John Conner, Vice President for Administration and Finance. President Brownlee welcomed Mr. Conner on behalf of the board.

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

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

Dr. Patricia L. Geadelmann to the position of Assistant Vice President for Academic Affairs, effective July 1, 1984, at a salary to be determined with the 1984-85 budget proposal.

President Curris said the university was very pleased to bring this recommendation to the board. After an extensive search process, the first choice for the position was Dr. Geadelmann.

### MOTION:

Mrs. Anderson moved that the board approve the appointment of Dr. Geadelmann to the position of Assistant Vice President for Academic Affairs, effective July 1, 1984, at a salary to be determined with the 1984-85 budget proposal. Dr. Harris seconded the motion and it passed unanimously.

President Brownlee said he was sure all board members were gratified that Dr. Geadelmann was willing to accept this position. Many of them knew her well and respected her greatly.

FACULTY PROMOTION AND TENURE ACTIONS. It was recommended that the board approve the recommended faculty promotion and tenure actions for the University of Northern Iowa.

The Board Office explained that last April the board requested that faculty promotion and tenure actions be placed in a separate docket item from the personnel register. This was the first report from the University of Northern Iowa in response to the board's request.

MOTION: Dr. Harris moved that the board approve the recommended faculty promotion and tenure actions at the University of Northern Iowa. Mrs. Anderson seconded the motion and it passed unanimously.

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

The board was requested to ratify award of the following contract made by the executive secretary using Form B:

Communication Arts Center--Final Phase--Kilns

Award to: A. D. Alpine, Inc., Torrance, California \$53,060.00

The irregularity in this award was that the apparent low bidder would not agree to hold bid prices for 30 days, as called for in the bid specifications. Among 10 bidders, A. D. Alpine, Inc., was low bidder on both electric and gas units. There was no other complete bid, and it was evident that the reason the lower bidder would not agree to hold bid prices for 30 days was an impending price rise industry-wide on kilns. Mr. Gross said it was anticipated that the price will increase substantially soon so it was felt this bid should be accepted. The bid price of \$53,060 is within budget. A price increase could take costs beyond budget.

The board was requested to award the following construction contract:

Campanile--Renovate Carillon

Award recommended to: I. T. Verdin Co., Cincinnati, Ohio \$50,000.00

A single bid of \$58,000 was received from I. T. Verdin Co. for renovating the carillon. Irregularities existed because the firm included in its bid new bell clappers and new support bolts, which exceeded the specifications. The bid of \$58,000 exceeded the existing \$50,000 budget. In subsequent discussions, the Verdin Co. in a March 5 letter offered to complete the work as specified plus install new clappers and support bolts for \$50,000 plus taxes.

The university recommended and the Board Office concurred that the single bid from I. T. Verdin Co. be rejected and that the university be authorized to accept the March 5, 1984, proposal from Verdin Co. Correspondence from another prospective bidder indicates that the \$50,000 cost to undertake the work is very competitive.

The following four revised budgets submitted by the university restore the projects to the original budget sources. None of the requests change the total project budget. They are: UNI-Dome--Additional Office Space, Steam Distribution System Improvements--1981; 1983 Academic Roof Improvements; and Coal-Fired Boiler Replacement and Auxiliaries.

The university reported six contract change orders. The change orders were on six individual projects and were all processed within the current project budgets. None of the change orders exceeded \$25,000.

The board was requested to accept three completed construction projects. All had been inspected and the work was found to be substantially complete. They include: Psychology Animal Laboratory; Physics Building--Window Improvements; and Electrical Systems Improvement--12.5 KV Distribution--Phase I.

The board was requested to approve two new projects:

Illinois Street--Resurface

Source of Funds: Institutional Roads Fund \$29,000.00

This project is included in the 1984 Accomplishment Plan of the State Parks and Institutional Road Program approved by the board in November. However, the project was included at an estimated cost of \$25,000. The university requested approval of the resurfacing project at \$29,000.

Approval of this project was recommended pending the availability of adequate institutional road funds. The Board Office recommended continuing review of the availability of funds to satisfy the universities' needs for road maintenance funds. It noted that there are diminished institutional road funds available for both construction and maintenance due to an IDOT reduction in the Regent fund allocation from 36 to 30 percent. This will seriously constrain the Regents road construction program. Mr. Gross said he was meeting next week with institutional representatives to see what effect this reduced funding will have.

Board approval was also requested for a design agreement between the Iowa Department of Transportation and the Iowa State Board of Regents which will permit the board, through the University of Northern Iowa, to provide in-house design and construction management of this project.

1984 Parking Lot Improvements

Source of Funds: Reserved Parking Fund \$138,000.00

This project includes the repair and resurfacing of the Regents west parking lot and the Price Laboratory School south parking lot. The work will be done simultaneously with the Illinois Street--Resurface project mentioned above.

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

General Contract for Architectural Services

The university requested approval of a general contract for architectural services with Stenson, Warm, Grimes, Port, Architects, Waterloo. This general contract follows the form of the board's Standard Agreement and specifies an hourly rate of compensation. The university has had previous contracts with this firm, the most recent one expiring March 24, 1984.

The university has a similar contract with Thorson-Brom-Broshar-Snyder Architects, Inc., Waterloo.

The university indicated that in each instance of use of this general contract, a requisition or purchase order will be included on the Register of Capital Improvement Business Transactions for the board to approve and/or ratify each such use.

Gilchrist Hall--Renovate HVAC System

Ratification was requested to increase the fee from \$6,000 to \$16,000 for professional services. The increase in fee to Clayton Environmental Consultants is for additional services related to the presence of asbestos in Gilchrist Hall and the additional effort necessary to monitor and test materials, air quality, construction methods, and record keeping in compliance with asbestos and health-related regulations. Payment will be for services in testing with the funds coming from the available contingency in the project budget.

Turbine Generator, Plant #2, 7500 KW

In December 1978 the board approved an original design agreement with Brown Engineering for this project in the amount of \$240,000. Since then, 15 requests for extra services totaling \$69,000 have been approved. The university now requested approval of an additional \$6,225.96 for work related to the start-up and checkout of the turbine.

MOTION:

Mr. Duchon moved that the board approve the Register of Capital Improvement Business Transactions for February 3 through March 8, 1984; ratify award of the construction contract made by the executive secretary; reject the single bid from I.T. Verdin Co. and accept the March 5, 1984, proposal from Verdin Co.; approve the revised project budgets; accept the completed construction projects; approve the new projects; approve the agreement with IDOT; approve and ratify the consultant contracts; and authorize the executive secretary to sign all necessary papers. Mrs. Murphy seconded the motion and it passed unanimously.

RESIDENCE SYSTEM RATE CHANGES AND PRELIMINARY BUDGET, 1984-85. It was recommended:

1. That the board approve the proposed rate schedule for residence hall contracts to be effective as of the fall semester 1984. The rate for a double occupancy room with full board is proposed to be \$1,804 per occupant, an increase of \$104 or 6.1 percent over 1983-84.
2. That the board approve the proposed rate schedule for apartment housing contracts to be effective July 1, 1984. Increases of 5.8 to 6.3 percent are proposed.

3. That the board accept the proposed residence system preliminary budget estimates for 1984-85, subject to further review and action when university operating budgets are approved for 1984-85.
4. That the institution and the Board Office closely monitor the level of expenditure increases in 1984-85 and provide the board with a December 1984 update on the status of the residence system budget.

The Board Office noted that double occupancy rates at the University of Northern Iowa remain below those at the University of Iowa and Iowa State University, although the percentage increase over 1983-84 is higher. Increases of the proposed level are necessary in order to maintain the financial soundness of the residence system in 1984-85.

The university reported that information concerning the proposed 1984-85 residence hall rates was being shared with the Residence Hall Association and the Student Affairs Council, but that this information had not been provided to students at the time of preparation of the docket.

The university proposed a preliminary revenue budget for 1984-85 of \$9,740,000 with \$8,426,950 in expenditures for operations with the remainder for debt service, reserves, and university overhead. This budget represents a 1.6 percent increase in revenues and a 1.9 percent increase in operating expenditures compared to revised 1983-84 budget estimates.

The university's estimate of a 1.6 percent increase in revenues, despite a 6.1 percent increase in rates, reflects an anticipated decline in occupancy. The loss of 187 occupants on a full-board, double-room contract is expected, although occupancy in family housing is expected to rise by 14 apartments. This increase is projected as a result of changes in policies for family housing.

In order to reduce costs, in part as a result of decreased occupancy, the university expects to reduce staff FTE by 12 positions, thus holding total increases in salaries, wages, and benefits to 5.6 percent. A very modest increase (0.7 percent) in the cost of food or goods sold results from the decline in the number of board contracts. A reduction in other operating expense is also partly attributed to decreased occupancy but, to a greater extent, to the purchase of an in-place campus telephone system and to the use of mini-computers for a computerized food management program (FOCUS).

Expected increases in utility costs are relatively low but are based on assumed 5 to 10 percent inflationary increases. The proposed budgets also reflect an increase in boiler efficiency and savings due to energy management. Additional savings are possible if a new turbine generator is in operation as planned in 1984-85.

A substantial increase is proposed in expenditures for repairs and maintenance for 1984-85 as compared with the revised estimate for 1983-84.

Bond resolutions for outstanding bonds require minimum payments and transfers as follows for 1984-85:

Debt Service (Principal & Interest -- Sinking Fund)	\$783,050
Mandatory Transfers to Reserves (Bond Reserve Fund & Improvement Fund)	330,000

The bond resolution also requires that the ratio of net operating income to debt service due must be budgeted to exceed 1.5 for additional bonds to be issued. With the budget proposed for 1984-85, this ratio would be 1.7 which remains reasonable and provides an acceptable margin.

The funds remaining after operating expenditures, debt service, and mandatory transfers are available for voluntary reserves. Voluntary reserves include the Improvement Fund and the Surplus Fund. For 1984-85, the projected balance in voluntary reserves is approximately \$2.1 million or 21.6 percent of revenues. This level of voluntary reserves is believed to be reasonable and prudent. Mandatory reserves are expected to total approximately \$1.37 million as of June 30, 1985.

The Board Office noted that the university's ten-year plan, which does not include consideration of any proposed rate increases, projects a need to draw \$10,000 from voluntary reserves in 1984-85. The proposed rates for residence halls and family housing units appear to be sufficient to provide for a break-even budget for the 1984-85 year and to maintain reasonable and prudent voluntary reserves.

The ten-year planning report, even assuming that expenditures can be held in check as has been indicated, shows that continued enrollment and occupancy declines after 1984-85 will require careful attention to revenue and expenditure budgets for future years.

The Board Office concluded that some concern about projected minimal cost increases for 1984-85 and the impact of future occupancy reductions is in order. These concerns will require close monitoring of the residence hall system's finances in the future. Mr. Gross noted that one of the Board Office recommendations is a six-month review of this budget, felt to be necessary because of the uncertainty of occupancy rates this coming fall.

In answer to questions from Regent Duchon, Mr. Gross said that according to the ten-year plan, in 1984 dollars and assuming occupancy rates declining as projected, the UNI residence system would end up with a negative operating balance of over \$800,000.

President Curris said he did not wish to dispute the Board Office premises, but he felt he could make a somewhat more optimistic presentation. The residence hall system at UNI has operated at a balanced budget and with appropriate operating reserves in every year with which he was familiar. There has been no utilization of reserves for the purpose of balancing

the operating budget. The mandatory reserves are fully funded. The voluntary reserves in 1982-83 were \$2.8 million, nearly four times the annual debt service payment for the facility. There has been no drop in those reserves except for fire safety requirements. President Curris said he shared the concerns of the Board Office if there is a significant drop in the number of students attending the university. If that eventuality occurs, UNI will be ready to address it with a solid posture.

President Curris noted that room and board rates at UNI have been kept below the rates at the other two institutions. Apparently this was a conscious decision and one with which he agreed philosophically. However, if the University of Northern Iowa currently had rates comparable to those at the other two universities, it might now be able to request a lower rate of increase. President Curris recommended the proposed increases in rates without reservation.

MOTION:

Mr. Duchon moved (1) that the board approve the proposed rate schedule for residence hall contracts to be effective as of the fall semester 1984. The rate for a double occupancy room with full board is proposed to be \$1,804 per occupant, an increase of \$104 or 6.1 percent over 1983-84; (2) that the board approve the proposed rate schedule for apartment housing contracts to be effective July 1, 1984. Increases of 5.8 to 6.3 percent are proposed; (3) that the board accept the proposed residence system preliminary budget estimates for 1984-85, subject to further review and action when university operating budgets are approved for 1984-85; and (4) that the institution and the Board Office closely monitor the level of expenditure increases in 1984-85 and provide the board with a December 1984 update on the status of the residence system budget. Dr. Harris seconded the motion and it passed unanimously.

President Brownlee then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the University of Northern Iowa. There were none.

## IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Thursday, March 22, 1984.

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

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

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

## IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Thursday, March 22, 1984.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for January 22 to February 18, 1984, were ratified by general consent of the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final register for February 1984 had been received, was in order, and was recommended for approval. The register contains two items relating to a single project.

The board was requested to approve a new project entitled:

### Eaves Repair--Phase I

Source of funds: 1983-84 Building Repair Funds \$40,000.00

This project is intended to implement recommendations of an engineer's study on two buildings--Old Main and the Hospital.

The board was also requested to ratify selection of Shive-Hattery & Associates, Cedar Rapids, to prepare contract plans and specifications on this project. Compensation is on an hourly rate basis to a maximum of \$5,400. Cost of the engineering contract is included in the preliminary project budget of \$40,000. Assuming no further required budget reversions, the necessary funds will be available this fiscal year.

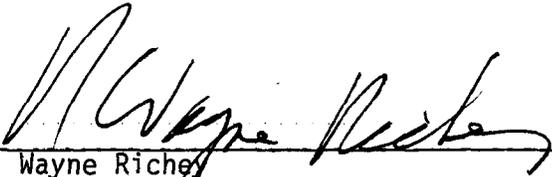
### MOTION:

Mrs. Anderson moved that the board approve the Register of Capital Improvement Business Transactions for February 1984; approve the new project; ratify the consultant contract; and authorize the executive secretary to sign all necessary documents. Mrs. Jorgensen seconded the motion and it passed unanimously.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL  
March 22, 1984

ADJOURNMENT. The meeting of the State Board of Regents adjourned at  
2:50 p.m. on Thursday, March 22, 1984.

  
\_\_\_\_\_  
R. Wayne Richey  
Executive Secretary.