

The State Board of Regents met at the University of Northern Iowa on Wednesday and Thursday, May 16-17, 1984. Those present were:

	<u>May 16</u>	<u>May 17</u>
Members of the State Board of Regents:		
Mr. Brownlee, President	All Sessions	All Sessions
Mrs. Anderson	All Sessions	All Sessions
Mr. Duchon	All Sessions	All Sessions
Dr. Harris	All Sessions	All Sessions
Mrs. Jorgensen	All Sessions	All Sessions
Mr. McDonald	All Sessions	Exc. 12:00 Noon
Mrs. Murphy	All Sessions	All Sessions
Mr. Neu	All Sessions	All Sessions
Mr. Van Gilst	All Sessions	All Sessions
Office of the State Board of Regents:		
Executive Secretary Richey	All Sessions	All Sessions
Director Barak	All Sessions	All Sessions
Director Gross	All Sessions	All Sessions
Director Volm	All Sessions	All Sessions
Director Wright	All Sessions	All Sessions
Associate Director Runner	All Sessions	All Sessions
Associate Director Stanley	All Sessions	All Sessions
Ms. Peters, Secretary	All Sessions	All Sessions
State University of Iowa:		
President Freedman	All Sessions	Exc. 2:50 p.m.
Vice President Ellis	All Sessions	Exc. 2:50 p.m.
Vice President Remington	All Sessions	Exc. 2:50 p.m.
Associate Vice President Mahon	All Sessions	Exc. 2:50 p.m.
Associate Vice President Small	All Sessions	Exc. 2:50 p.m.
Assistant to President Mears	All Sessions	Exc. 2:50 p.m.
Director Jensen	All Sessions	Exc. 2:50 p.m.
Director Stork	All Sessions	Exc. 2:50 p.m.
Iowa State University:		
President Parks	All Sessions	Exc. 3:31 p.m.
Vice President Christensen	All Sessions	Exc. 3:31 p.m.
Vice President Hamilton	All Sessions	Exc. 3:31 p.m.
Vice President Moore	All Sessions	Exc. 3:31 p.m.
Associate Vice President Madden	All Sessions	Exc. 3:31 p.m.
Assistant to President Crawford	All Sessions	Exc. 3:31 p.m.
University of Northern Iowa:		
President Curris	All Sessions	All Sessions
Provost Martin	All Sessions	All Sessions
Vice President Conner	All Sessions	All Sessions
Assistant to President Voldseth	All Sessions	All Sessions
Director Kelly	All Sessions	All Sessions
Director Stinchfield	All Sessions	All Sessions
Iowa School for the Deaf:		
Superintendent Giangreco	All Sessions	Exc. 3:07 p.m.
Business Manager Kuehnhold	All Sessions	Exc. 3:07 p.m.
Iowa Braille and Sight Saving School:		
Superintendent DeMott	All Sessions	Exc. 3:09 p.m.
Business Manager Berry	All Sessions	Exc. 3:09 p.m.

GENERAL

The following business pertaining to general or miscellaneous items was transacted on Wednesday, May 16, 1984.

President Brownlee welcomed Bass Van Gilst, who was attending his first meeting as a member of the Board of Regents.

APPROVAL OF MINUTES. The minutes of the board meetings of April 18, 19, and 26, 1984, were approved as distributed by general consent of the board. President Brownlee stated that any additions or nonsubstantive corrections could be turned in to the secretary.

FINAL REPORT OF COMMITTEE ON EFFICIENCY AND COST EFFECTIVENESS. It was recommended that the board receive the report and direct the Board Office and institutions to develop a plan for implementing the recommendations and providing periodic progress reports to the board.

The Board Office explained that in March 1983, Governor Branstad asked the Board of Regents to conduct a review of the efficiency and effectiveness of the nonacademic operations of the Regent institutions. In June of that year the Regents established a Committee on Efficiency and Cost Effectiveness composed of nine members appointed by the board. The committee held its first meeting at the end of August and had met monthly since that time.

The Committee, chaired by Thomas M. Shive, recently retired President of Fisher Controls, quickly established task statements to guide the effort. Six task forces were established, composed of representatives of the Board Office, the institutions, and the private sector. Private sector individuals chaired these task forces. These task forces conducted thorough reviews of the nonacademic operations of the Regent institutions. Areas of study included physical plant, insurance and risk management, personnel management, administrative support services, cash management, and communications and computer services.

The final report includes 70 recommendations made by the committee. These 70 recommendations have been identified as increasing efficiency, reducing costs, avoiding future cost, or increasing revenues at the Regent institutions by approximately \$29.2 million over the next three fiscal years. The Board Office noted that these identified dollar impacts would affect all sources of funding at the Regent institutions: state appropriations, institutional income, federal funds, and private funds. Approximately \$10 million of the potential three-year savings could be achieved only after legislative action.

President Brownlee introduced Mr. Shive. Mr. Shive told board members the committee was generally impressed with the concern and dedication of the administration of each Regent institution and appreciated the

cooperation it had received. The recommendations are not intended to be critical of the Regent operations but, in most instances, represent application of the latest technology and new approaches. The committee had received comments from the institutions about some of the recommendations but made the final recommendations based on its own judgment. The committee felt that the universities should be on the cutting edge of new business management techniques. The committee found that the institutions are accomplishing this transfer of ideas from the classroom to the business world in several areas, especially in data processing and personnel management. Further efforts must be made to transfer the new techniques to other areas of the institutions, especially physical plant.

Mr. Shive noted that the Regent institutions have been given substantial flexibility in budgeting which minimizes the impact of budget reductions. The committee applauded this flexibility and said it should be retained.

Mr. Shive said the committee had reviewed the Governor's 1979 recommendation to change the jurisdiction of the two special schools. The committee did not take a position on this question but encouraged these two institutions to take advantage of the committee's recommendations.

Physical Plant

The recommendations of the Physical Plant Task Force are summarized as follows:

1. Improve physical plant budget preparation.
2. Increase architect/engineer coordination and planning.
3. Expand and increase emphasis on short-term energy conservation efforts.
4. Consider moving the prime janitorial work shift to the daytime.
5. Continue toxic waste handling procedures.
6. Increase coordination among physical plant directors.
7. Increase communication between physical plant departments and the planning units.
8. Develop a Regent utility board for combined fuel purchases.
9. Jointly purchase coal with a review of the purchase of Western coal if cost effective.
10. Provide the Regents with the authority to purchase electrical power on a lower cost basis.
11. Investigate the direct purchase of natural gas.
12. Conduct pilot study on an occupant motivation system for space and energy usage.

13. Review the functions of the Physical Plant Department at the University of Iowa and develop a plan for coordinated housing.
14. Employ a systems analyst for the Physical Plant Department at the University of Iowa to coordinate information management.
15. Seek a contract between the University of Iowa and Iowa-Illinois utility to permit totalized demand charges.
16. Investigate the possibility of a central chiller on the East Campus at the University of Iowa.
17. Seek funding for the replacement of aging utility boilers at the University of Iowa and Iowa State University.
18. Develop a stronger interconnection for electrical purchases between Iowa State University and the city of Ames.
19. Remove the Museum from the Physical Plant Service Building at the University of Northern Iowa.

Mr. Shive introduced Harry Slife, committee liaison, and Otto A. Tennant, chair of the Physical Plant Task Force.

Mr. Slife noted that the recommendation to purchase Wyoming coal (recommendation number 9) is one of the more controversial recommendations since it flies in the face of the Iowa preference law. He noted, however, that the Regents will be called upon to spend substantial amounts of money for scrubbers if they continue to use high-sulfur coal. The institutions could save about \$2 million per year through this recommendation even without taking into consideration future capital costs necessary to burn Iowa coal. The committee recognized the potential policy implications of this recommendation, but it felt it was important to point out all options that exist. This is an opportunity to save substantial amounts of money.

Regent Harris said he had read of recent tests at Iowa State University showing that Iowa coal does meet EPA standards. Vice President Moore said the tests were made against existing federal standards. While there is no definite knowledge of future directions for EPA standards, there is a strong possibility that they will be more stringent. Regent Van Gilst commented that the EPA had established high standards for Iowa and, since Iowa was currently meeting those standards, there was no reason to expect a tightening of those standards. Mr. Tennant said there was also potential federal legislation concerning acid rain. To comply with this proposed legislation, the Regents would have to burn low-sulfur coal or install scrubbers.

Referring to recommendations 10, 15, and 18, Mr. Tennant said the task force concluded that each of the three large institutions are in effect utilities. The task force looked at utilities throughout the state and found that the Regents could purchase electricity off peak if they were designated utilities. President Brownlee said the Regents had received preliminary notice of this recommendation (see Minutes pp. 426-429). The

board had sought legislative permission to implement this recommendation but had thus far been unsuccessful.

Regent Jorgensen asked for the reason for recommendation 8. Mr. Tennant said that most municipal utilities have one person in charge of buying and selling power. The task force felt it would be better to have a separate group to do this negotiating for the Regents rather than place an extra burden on the directors of the physical plants.

In answer to questions from Regent Duchen, Mr. Tennant said the task force had probed into the purchasing of natural gas, leading to recommendation 11. He told Regent Duchen that since future conditions are unknown, it is best to pursue recommendations related to both natural gas and coal. Even with a ten-year contract, availability of power can be uncertain. When buying raw energy, it is prudent to diversify sources.

Regent Duchen asked about energy conservation. Mr. Tennant said it is done very well at all of the institutions, but the task force felt more can be done. In 1973 there was an energy crisis and all of the institutions used the least energy ever on a per square foot basis. Today, the institutions are getting back to that level but are not there yet. Therefore, there is still potential for savings in this area.

Mr. Shive noted that recommendation number 12 had been made over some institutional resistance, and the committee acknowledged a number of problems for implementation. Industry, however, has had to do the things included in this recommendation. The committee felt it is something that must be done by the Regent institutions to avoid future expenditures.

Risk Management

The recommendations are summarized as follows:

20. Seek catastrophic insurance coverage for all Regent property.
21. Clarify statutory ambiguity on employee indemnification for tort claims.
22. Continue practice of clarifying tort claims coverage for students.
23. Take steps to inform university employees of extent of coverage of tort claims act.
24. Maintain current professional liability procedures.
25. Reconsider positions on libel coverage and review advisability of incorporation of student newspaper.
26. Review comprehensive coverage policy for money and securities and maintain escrow agreements.
27. Continue present radioactive and biological waste risk policies and procedures.
28. Investigate cost effectiveness of establishing separate Regent motor vehicle insurance policy and clarify risk management statutes.

Mr. Shive introduced Neil Harl, committee liaison to the Risk Management Task Force. Mr. Harl said the universities are microcosms of society in the range of risks. The emphasis of the task force was to examine ways to contain or share risk.

Mr. Harl summarized each of the risk management recommendations and explained the rationale for each. Mr. Harl indicated that the savings could result in cost containment in the future.

The Board Office noted that of particular interest in the risk management area is a proposal for the Regents to seek insurance to cover potential catastrophic losses of Regent property (recommendation 20). It is estimated that replacement costs of Board of Regents properties exceed \$2 billion, and approximately \$1.7 billion of this property is presently uninsured. The committee recommended that the Regents, in conjunction with the State Department of General Services, seek appropriate levels of catastrophic insurance coverage to prevent large property losses which could bankrupt the state treasury. In addition, the committee recommended that the Regents investigate the cost effectiveness of purchasing separate Regent motor vehicle insurance policies in order to reduce motor vehicle insurance costs (recommendation number 28).

Personnel Management

The recommendations of this task force are summarized as follows:

29. Establish sick leave monitoring system.
30. Continue flex-time scheduling arrangements.
31. Train supervisors to reduce need for supervisor's control.
32. Implement participative productivity improvement concept.
33. Maintain fringe benefit management system.
34. Adopt policy encouraging health awareness (wellness) programs.
35. Continue review of group insurance plans.
36. Examine implementation of flexible benefits plan.
37. Continue unemployment cost review system.
38. Participate in review of the handling of workers' compensation claims.
39. Implement phased retirement system for all Regent personnel
40. Obtain source codes for state personnel management system.
41. Increase emphasis on formal training.
42. Continue present handling of holiday pay for temporary employees.

43. Modify military leave policies, consistent with state law.
44. Continue study of task analysis system.

Mr. Shive introduced Fred Nolting, committee liaison to the Personnel Management Task Force. Mr. Nolting said one of the first areas studied by the task force was absenteeism, and it found an amazingly low rate at the Regent institutions. He noted the recommendation to adopt a wellness policy (number 34). It was believed that this could reduce health insurance costs for the Regent institutions. Mr. Shive commented that he had been shocked by the increases in health insurance rates over the last two years. Therefore, this recommendation deserved special attention. Mr. Nolting spoke briefly on other ways of reducing health insurance premiums which would be done without impairing institutional efficiency. Mr. Richey said the proposal to extend phased retirement to merit employees (number 39) would be brought to the board at its June meeting.

Administrative Support Services

The recommendations of this task force are as follows:

45. Implement negative approval of voucher system.
46. Increase equipment recycling management.
47. Involve purchasing departments in preliminary equipment planning process.
48. Implement systems contracting.
49. Authorize direct access to computer purchasing terminals.
50. Investigate single vendor air travel planning at the University of Northern Iowa.
51. Undertake feasibility study of potential freight savings.
52. Review vending operations.
53. Conduct needs analysis of mail operations.
54. Establish forms control committee.

Mr. Shive introduced Eleanor Birch, committee liaison for the Administrative Support Services Task Force. Ms. Birch said that while the task force had studied ten general areas, the bulk of its time had been spent discussing purchasing matters. She noted that it was difficult to obtain firm figures for cost saving in many of the areas studied, but the task force estimated a potential savings of \$1.3 million for 1985. This did not include savings produced by travel arrangements recently implemented at the University of Iowa and Iowa State University. If those are added in, the savings could be close to \$2 million. The task force recommended that the Regent travel services, including the University of Northern Iowa (number 50), be reviewed in two or three years for a better assessment of savings in this area.

Cash Management

The Cash Management Task Force made the following recommendations:

55. Establish standards for bank selection.
56. Reduce number of depositor banks.
57. Modify pledge agreements.
58. Continue reverse repurchase agreements.
59. Review check cashing services.
60. Phase in deferred tuition and fee payment service charge.
61. Broaden investment authority of the Board of Regents.

Mr. Shive introduced committee liaison Neil Wilson to summarize the Cash Management recommendations.

Regent Jorgensen asked what percentage of Regent short-term funds are now invested in Iowa. Associate Vice President Madden said that at Iowa State University, only a small percentage is in Iowa securities. The chief criteria is rate of return, and the federal securities currently offer the best interest rate. If Regent investment authority is broadened to include certificates of deposit (recommendation 61), these of course would be Iowa investments.

Regent Duchen asked how reducing the number of banks would save money for the Regents (recommendation 56). He assumed that whatever the number of banks, the institutions would manage their accounts as efficiently as possible. Mr. Wilson said the objective is to have more money available for interim investments by pooling accounts in fewer banks. It is also an opportunity to get services which might not be available when deposits are spread around to several banks.

Mr. Wilson said the task force debated the question of phasing in deferred tuition and fee payment with service charges. It not only looked at this question in the pure financial sense, but considered possible effects on student accessibility. It recommended that this be implemented gradually, beginning with new students only (recommendation 60).

Communications, Computer Services, and Technology

The recommendations of this task force are summarized as follows:

62. Address data processing, alternative technology, and office automation needs.
63. Obtain additional technology support to meet future needs.

64. Implement centrally funded support for systems research and development.
65. Establish institution-wide guidelines for information management disbursement.
66. Secure data processing expertise among the institutions.
67. Review hiring, promotion, and pay policies for data processing personnel.
68. Develop a plan for electronic mail operations.
69. Continue pluralistic computer operations with review of greater sharing within the institutions.
70. Review and implement new telecommunications systems.

Mr. Shive said that neither Lawrence Ferin, the chair of this task force, nor Robert W. Boeke, committee liaison, were present at the meeting. Therefore, he would briefly go through these recommendations for the board.

Mr. Shive said the task force found this area to be well managed. For this it commended the Regents and encouraged continuation of this kind of leadership. It urged cooperation among the Regent institutions in these areas and continuing awareness of improvements in techniques. Each institution must keep up with the rapid growth of technology.

Regent McDonald commented that on page 108 of the report (recommendation 67), there is a sentence underscored:

Productivity of the university computing centers is commendable; the universities manage twice the programs with one-third of the staff used in the private sector.

Mr. Gross said this sentence was written by Mr. Ferin, who manages computer software for his firm. He was amazed at what he found and was impressed with the Regent employees. President Curris noted that it was difficult to hold on to these employees, but the campuses did as well as possible by using incentives. Vice President Moore said that professional data processing employees at Iowa State have sometimes refused offers of other employment at a higher salary because they like the university environment and the opportunity to try out new things. This contributes to high morale for people who are underpaid by the industry average. It is important that the universities retain this advantage.

In answer to a question from Regent Duchon, Mr. Shive said a consultant had studied the telecommunications systems at SUI and ISU, particularly the question of purchasing versus leasing. The consultant's recommendation was that a new system be installed which would result in cost containment of up to \$10 million over the next ten years. The committee could not take credit for the consultant's work but did endorse it.

Regent Duchen asked if the task forces had delved into the aspect of human resources. Mr. Shive said the Personnel Task Force had done so in some areas. Many of the cost savings identified in the report are directly correlated with headcount. Some of the recommendations would affect the numbers of persons employed by the Regent institutions.

President Brownlee thanked all of the distinguished persons who had served on the committee and the task forces. He said the Regents were greatly in their debt for the many hours of work on this project. He also commended the institutions for the many favorable comments they had received from the committee and task force members. President Brownlee said the board had a great deal to digest and would work on studying this report before implementation of the recommendations.

Mr. Shive said the committee had taken a "no holds barred" approach in making its recommendations and had assumed that it would be the Regents' responsibility to work out details of implementation. Mr. Gross noted that, contrary to the recommendations of the Governor's Task Force which had recommended a new administrative structure, the Regents committee was recommending implementation through the existing administration and governance. In addition, the committee recommended that the board keep a score card and periodically receive reports to see if the Regents are achieving the kind of cost savings anticipated. The Board Office was planning to meet with the institutions and discuss implementation. The recommendations requiring board action would be presented at the June board meeting.

President Brownlee said that as this process went forward, the institutions should have an opportunity to react. Regent Anderson said it had been mentioned that there was institutional comment about some of the recommendations. She asked if the board would have an opportunity to hear these comments. Mr. Shive said the comments made were referred to the task forces and were reflected in the report. In some cases, the recommendations were modified to take into account these concerns. In other cases, the committee recognized the concerns but decided to go ahead with the recommendations. He felt that in some fashion, whether directly or indirectly, all of these concerns were incorporated into the final report.

MOTION:

Mr. McDonald moved that the board receive the final report of the Committee on Efficiency and Cost Effectiveness and direct the Board Office and institutions to develop a plan for implementing the recommendations and providing periodic progress reports to the board. Mrs. Jorgensen seconded the motion and it passed unanimously.

Mr. Shive told board members that the committee did not intend to be "hit and run drivers." Although its responsibility had been discharged, it would continue to be available for support of the recommendations it had made.

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Mr. Shive thanked all of the dedicated people who had worked on the report: task forces and committee, institutions, Board Office, and private sector. He particularly commended Mr. Gross for his work as resource person for the committee.

A complete copy of the final report of the State Board of Regents Committee on Efficiency and Cost Effectiveness is on file in the Board Office.

The following business pertaining to general or miscellaneous items was transacted on Thursday, May 17, 1984.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. a. Change in Name of the Department of Business Education and Administration Management to the Department of Information Management at the University of Northern Iowa. It was recommended that the board approve this change in name.

At the April board meeting, the board referred this request to the Inter-institutional Committee on Educational Coordination and the Board Office for review and recommendation. The Interinstitutional Committee completed its review and recommended approval.

The Interinstitutional Committee reported that the department has made major changes in its instructional program through the application of microcomputers to the solution of business problems. The proposed name change would make the title of the department consistent with the activities that it conducts and more clearly reflect the responsibilities and direction of this department.

The Board Office noted that approval of the name change does not, according to the university, involve the creation of any new programs or any need for additional resources. Programmatic name changes noted on the university's curriculum change request are not included in this action (see Minutes under University of Northern Iowa, Curriculum Items).

MOTION:

Dr. Harris moved that the board approve the change in name of the Department of Business Education and Administrative Management to the Department of Information Management at the University of Northern Iowa. Mr. Duchon seconded the motion and it passed unanimously.

b. Change in name of Department of Physical Education - Field House to Department of Exercise Science and Physical Education; establishment of Bachelor of Science Degree in Exercise Science; and termination of Bachelor of Arts Degree in Physical Education, University of Iowa. It was recommended that the board approve (1) the change in title; (2) establishment of the B.S. in Exercise Science; and (3) termination of the B.A. in Physical Education offered in this department after all currently enrolled students have completed the program's requirements.

The Board Office said that at the April board meeting, the University of Iowa requested the actions noted above. This request was referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The Interinstitutional Committee completed its review and recommended approval.

The primary reason for the proposed name change is to define and describe better the current and future emphases of the department's programs. In addition, the university indicated that the change will help to attract capable students with an interest in both science and exercise who are

not interested in preparing for teaching or other careers in physical education. A third reason for the change is to make the program title consistent with changes occurring elsewhere around the country in this field.

The Bachelor of Science degree in Exercise Science was proposed to fill a void in Iowa where no similar program exists. As noted by the university, there is no undergraduate curriculum in the state for students interested in both exercise and science who wish to prepare for entry into professional programs leading to careers in therapeutics, rehabilitation, sports medicine, and similar areas or who wish to pursue graduate study in exercise sciences. The B.S. curriculum proposed by the university will fill that need and will do so without the necessity of creating a large number of new courses. Most of the required courses are currently offered by the university although some minor modifications may be necessary.

The university indicated that there is a large number of students interested in exercise science. The Board Office noted, however, that the projected enrollments seem to be quite high, ranging from approximately 20 undergraduate majors in 1984-85 to 80 such majors in 1988-89.

The Board Office said there are no accreditation standards for this program at the present time. The program was received by the Coordinating Council for Post-High School Education "without comment."

A review of the university's last long-range plan (1982) found no indication of the department's interest in requesting these changes.

The university indicated marginal increases in expenditures necessary as a result of the adoption of this program for the next three years. Funds would be provided by internal reallocation of university funds.

The Board Office noted that with one possible exception this appears to be a quality proposal. The exception relates to the large projected number of students without any apparent increase in full-time faculty. The university indicated a plan to staff the program with only graduate assistants rather than full-time faculty.

Regent Anderson asked if the program will require additional full-time faculty in the future. Vice President Remington said that, as noted by the Board Office, the projected enrollments seem to be quite high and it is unlikely that the maximum number will be reached. Further, after dividing the projected number of students into class years and sub-majors, there will actually be quite a small number in each group. As anticipated, all students in the proposed program can be absorbed into existing classes without the necessity of adding new sections. There will be need for assistance in the laboratories and in individualized instruction areas, and this is where the graduate assistants will be utilized. The university believes that all needs of the program can be met without additional full-time faculty.

The university was reminded that a post-audit review will be required on this program in five years. The university should take appropriate steps now to insure that the Regents review questions can all be responded to at that time.

The university proposed to terminate the Bachelor of Arts degree in Physical Education offered in this department. The Board Office noted that the current B.S. in Physical Education offered in this department would be maintained. The new curriculum for the B.S. degree would accomplish the original intent of the current B.A. in Physical Education which was designed to prepare students with superior academic records for graduate study at the doctoral level.

MOTION:

Mrs. Murphy moved that the board approve (1) a change in the title of the Department of Physical Education-Field House to the Department of Exercise Science and Physical Education; (2) establishment of a Bachelor of Science degree in Exercise Science; and (3) termination of the Bachelor of Arts degree in Physical Education offered in this department after all currently enrolled students have completed the program's requirements.

c. Graduate Minor in Philosophy, Iowa State University. It was recommended that the board (1) approve the graduate minor in Philosophy at Iowa State University; and (2) request that the university seek specific board approval before any steps are taken toward the development of graduate majors in Philosophy at Iowa State University.

At its April meeting, the board referred the request from Iowa State University for a graduate minor in Philosophy to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The Interinstitutional Committee has completed its review and recommended approval.

Iowa State University proposed a minor in Philosophy at both the master's and doctoral levels. This minor program would supplement a student's major in a number of fields of study. Each student minoring in Philosophy will develop an individualized program of study to integrate appropriate Philosophy courses with his or her graduate programs.

The Board Office said it appeared that the Department of Philosophy would be capable of providing quality graduate level minor work. The university reported that there would not be a need for any additional resources to carry out this program. While the development of this program was not noted in the most recent Long-Range Academic Plan at Iowa State University, this is probably understandable given the minor level at which this program was requested.

The proposed graduate minor would not duplicate any existing graduate minors in the field of Philosophy since none are offered by other institutions in the state. The Board Office pointed out, however, that the University of Iowa does offer a master's and doctoral major in Philosophy. For this reason, the Board Office recommended that the board indicate its desire that approval of this requested minor at Iowa State University not be construed as approval to develop these minors into major programs of study. If such a major were developed at Iowa State, there would be a clear issue of unnecessary program duplication in a relatively low demand field. The Board Office recommended that Iowa State University not begin to develop the minor program in Philosophy into a major program of study at either the master's or doctoral levels without prior board approval.

President Parks felt that the second recommendation of the Board Office was unnecessary. Iowa State University was not asking for nor did it ever intend to ask for a graduate major in Philosophy. He noted that a program just approved for another university did not include this admonition. President Parks asked if omitting this admonition from a proposed minor left it open for an institution to go ahead with a major for that proposal.

Mr. Richey said the intent of the recommendation was not to deny in perpetuity Iowa State's movement into a major in Philosophy, but to require the institution to come to the board before taking any steps toward such a program. This recommendation was made because the program is not central to the mission of Iowa State, and a major program in Philosophy is in effect at the University of Iowa. President Parks questioned the statement that Philosophy is not a part of the university's mission. He noted that every technological advance raises philosophical questions. Regent Anderson felt the recommendation was appropriate. She did not feel that it made a negative statement about philosophy per se. Regent McDonald added that the board did not want inadvertently to find itself in a situation of clear duplication.

Mr. Richey said that often major programs come to the board with staff already in place, library materials purchased, and new courses implemented. The intention of this recommended action was that any new major be approved by conscious board decision before any resources are committed to a program. Mr. Richey told Regent Harris that, while proposed programs should be brought to the board before any of these actions are taken, in fact they often are not.

President Parks reiterated that Iowa State University was willing to have the record show that the university has no intention of offering a graduate degree in Philosophy, but protested that no other programs had received this specific prohibition.

Regent Neu said he realized that Iowa State University might feel singled out by this recommendation, since it had not previously been applied to any proposed minors. However, the board felt that it had many times approved

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a minor at one of the universities, and the institution immediately began to build the program into a major. This major later comes to the board fait accompli, and the board rubber stamps the proposal. He told the universities the board expected to have some input before resources are put in place.

MOTION: Dr. Harris moved that the board approve the Graduate Minor in Philosophy at Iowa State University. Mr. Duchen seconded the motion.

Regent Neu said the minutes should clearly reflect that Iowa State has no intention to move this proposed minor in Philosophy into a major program without coming to the board, since that is the intention of the board. Further, now that this had been clarified, the board wished all of the universities to realize their programs were not being singled out when this recommendation was made in the future.

Regent Anderson asked if there was some way the second recommendation, which was not included in the motion, could be generalized. The board could request that in the future all three universities seek specific board approval before taking steps to develop new graduate majors. She felt that rejecting this recommendation carried a message that the board did not intend.

President Brownlee suggested that the board docket this matter at the next meeting. The Board Office and the Interinstitutional Committee on Educational Coordination could discuss it. He noted that the board at times feels frustrated because matters, either academic or business, move along further than the board would like before the board is able to make a decision. Regent Duchen added that whether academic, business, or athletic, it is a mistake for things to be started up without board involvement.

Regent Jorgensen noted the growing seriousness of declining enrollments and decreasing resources. She knew that board members are concerned with how to deal with these factors, and program growth is one area that requires attention.

Vice President Martin said the Interinstitutional Committee is preparing a report on program duplication and will be proposing some criteria. He asked if it would be helpful to the board to have this report ahead of schedule. President Brownlee said it would be helpful, but the board was in this instance talking about something broader; that is, a basic policy on board involvement. He told board members they had before them a motion to approve the first part of the recommended action, with a statement that the board docket the other procedural matter next month.

VOTE ON MOTION: The motion passed unanimously.

ACCREDITATION REPORTS. a. Engineering Programs at Iowa State University. It was recommended that the board receive the report from the Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology recommending accreditation of the Engineering programs at Iowa State University and request a follow-up report on the six programs accredited for only three years instead of the customary six.

On July 7-9, 1983, the Engineering Accreditation Commission acted on the accreditation review made at Iowa State University in the 1982-83 academic year. The actions reflected an analysis of information submitted by Iowa State and obtained in a campus visit. The results are listed as follows:

Aerospace Engineering, bachelors degree, Ceramic Engineering, bachelors degree, Chemical Engineering, bachelors degree, Civil Engineering, bachelors degree, Computer Engineering, bachelors degree, Electrical Engineering, bachelors degree, Nuclear Engineering, bachelors degree.

Accredit for six years to September 30, 1989, and visit. A request to ABET by January 31, 1988, is required for a reaccreditation visit.

Engineering Science, bachelors degree, Industrial Engineering, bachelors degree, Mechanical Engineering, bachelors degree, Metallurgical Engineering, bachelors degree.

Accredit for three years to September 30, 1986, and report. A report to ABET by March 1, 1985, is required. If accepted, this report may serve as the basis for extension of accreditation to September 30, 1989, without a campus visit.

Agricultural Engineering, bachelors degree, Surveying, bachelors degree.

Accredit for three years to September 30, 1986, and visit. A request to ABET by January 31, 1985, is required for a reaccreditation visit.

Construction Engineering, bachelors degree.

Reaccredit for three years to September 30, 1986, and show cause why reaccreditation should not be terminated as of that date. Accreditation is continued until that date to allow time for deficiencies to be corrected or for the program to be terminated in an orderly manner. A request to ABET by January 31, 1985, for a reevaluation visit will be accepted, but reaccreditation should not be anticipated unless satisfactory compliance with all criteria requirement has been achieved by the time of the visit.

As the Board Office interpreted the actions listed above, the first seven programs which are reaccredited for six years appear to meet all of the criteria of the Accreditation Board for Engineering and Technology (ABET). The six programs which were accredited for only three years appear to have some deficiencies with respect to the criteria of ABET which need to be corrected. The program in Construction Engineering, which also was reaccredited for three years, appears to have much more serious problems needing remediation, since it was labeled a "show cause" program. According to ABET "procedures for Accreditation," "Visiting teams may recommend a 'show cause' action for those programs failing to meet minimum criteria which, presumptively, cannot be corrected without drastic action."

The following comments were taken from the final statement of the 1982-83 visit. According to ABET, these comments are considered to be directly relevant to its accreditation action.

- *The faculty members are of high quality, dedicated and hardworking, but their number has not kept pace with the burgeoning enrollment. They have a healthy mix of capabilities and interests in teaching, research, and service, but their loads leave little time for personal professional development, creative thinking, and innovation.
- *The problem of inbred faculty which has been of great concern to EAC/ABET for the last 12 years, still exists. It is even worse in some programs than before, although others have improved.
- *The engineering administration is commended for the development of the Enrollment Management Plan to cope with the rapidly increasing enrollment.
- *The good communication of the "control parameters" to incoming students has prevented massive protest.
- *At the time of the previous EAC/ABET evaluation, there were widespread deficiencies in computer hardware and literacy. Tremendous progress has been made in these areas. There are still some faculty members, however, who have not yet come to appreciate the more esoteric aspects of computational support.
- *Two aspects common to all curricula need strengthening: (1) the humanities/social science content, and (2) competency in oral and written communication in the English language. Some curricula fail to meet ABET criteria in these areas.
- *The student work, in most curricula, did not reflect an evaluation of oral communication. In fact, it appeared from an examination of syllabi and interviews with students that many students graduate without ever having made an oral presentation.
- *In the area of written communications there was dramatic evidence in the student work examined that written reports had received very little attention in some areas.

- *The facilities are well maintained and efficiently used. Most spaces are overcrowded.
- *Equipment is marginal in several areas. It is commendable that the college has developed a five-year plan for equipment addition. It is deplorable, however, that there is no budget line item for it. This makes considered planning impossible.
- *Additional technicians would do much to help by improved maintenance and by the fabrication of laboratory apparatus, which is either not available commercially (example e.g., a specialized wind tunnel) or can be better custom built to serve the need.
- *The central administration is favorably perceived by the faculty.
- *The college is well organized and thoughtfully administered. The engineering administration is perceived as accessible to the faculty. The dean and his supporting administrative officers are attuned to faculty problems and needs.
- *Some areas need additional secretarial help. All areas need more funds for operations. There is a general deficiency in equipment maintenance funds.
- *Support for the engineering programs from the areas of physics, chemistry and mathematics is very good. The attention being given to developing physical laboratories is laudable.
- *The availability of the engineering reading room is an excellent adjunct to the university library.

Vice President Christensen emphasized that all of the engineering programs at Iowa State University are accredited. The university expected that these programs will continue to be accredited if adequate resources are provided. Deficiencies in the Construction Engineering program were being corrected.

Vice President Christensen noted the recommendations concerning oral and written competencies. He felt ABET had misunderstood some of the actual requirements. Other of these recommendations, particularly concerning oral reports, were considered excellent and would be implemented.

The university felt the concern about insufficient faculty could be attributed to salary levels. There is an overload on faculty. This has been discussed by the university and board on previous occasions. The fact that faculty is overloaded has a great deal to do with the deficiencies noted in the accreditation report. However, last year 12 faculty were added to the college. This year the university would use the excellence in education funding, if forthcoming, to provide additional faculty. President Brownlee agreed that the accreditation report mirrors some of the things the university has repeatedly told the board about the College of Engineering and its needs.

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Regent Murphy asked for comment on the matter of inbreeding in the faculty. Vice President Christensen said the university is working carefully with college administration to change this long-standing concern. The university sincerely hoped and expected that as the years go by the college will have more and more faculty coming in with degrees from other institutions. However, a factor is that, in order to attract people from other universities, it is necessary to pay salaries higher than earned by faculty who have been at Iowa State for several years, causing a severe morale problem.

Regent Jorgensen asked if a shortage of engineering instructors with Ph.D.s was going to be a way of life. Vice President Christensen said that as long as industry salaries are higher than academic salaries, this will be a problem.

Regent Harris asked if there were any programs to finance doctoral studies for bright young engineers with the understanding that these people would then teach. Associate Vice President Madden said Iowa State University is involved in such a program, supported by Hewlett-Packard. Students in the program are paid a full salary while working on their Ph.D.s. If those individuals then become engineering teachers, Hewlett-Packard waives reimbursement of this support.

MOTION:

President Brownlee stated that the report from the Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology recommending accreditation of the Engineering programs at Iowa State University be received by general consent of the board; and that the board requested a follow-up report on the six programs accredited for only three years instead of the customary six.

b. Letter of Accreditation Status from the North Central Association of Colleges and Schools, Iowa School for the Deaf.

c. Letter of Accreditation Status from the North Central Association of Colleges and Schools, Iowa Braille and Sight Saving School.

It was recommended that these letters be received by the board.

The Board Office explained that annually the North Central Association of Colleges and Schools accredits schools similar to the two special schools. The schools should be commended for again achieving accredited status.

MOTION:

President Brownlee stated that the Letters of Accreditation Status from the North Central Association of

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Colleges and Schools for 1983-84 for
Iowa School for the Deaf and Iowa
Braille and Sight Saving School were
received by general consent of the board.

REPORT ON JOINT COMMITTEE ON ARTICULATION AND INSTRUCTIONAL DEVELOPMENT RECOMMENDATIONS. It was recommended that the board (1) receive the status report on the implementation of the recommendations contained in the report of the Joint Committee on Articulation and Instructional Development; (2) request that the Interinstitutional Committee on Educational Coordination in cooperation with the Board Office develop recommendations on implementing the interinstitutional and inter-sector related recommendations contained in the joint committee's report; and (3) encourage the institutions to continue their efforts to respond to the joint committee's recommendations.

The Board Office reported that at its June 17, 1982, meeting, the board directed the Board Office and the Committee on Educational Coordination and the Committee on Educational Relations to work with the Department of Public Instruction and secondary schools in Iowa to study methods by which instruction and articulation might be improved. The Committees on Educational Coordination and Educational Relations met on September 1, 1982, and voted to submit a proposal to the Board Office for further exploration with the Department of Public Instruction.

The Committee on Educational Coordination recommended that the two state boards join in a cooperative effort to address matters of mutual concern. The committee noted that, while the educational level of Iowa's school and college students is among the nation's highest, problems and concerns related to continued improvement of instruction and articulation should be addressed cooperatively by the boards responsible for public education in the state. To that end, the committee recommended that a joint task force be appointed.

Consultation between the Board Office and Department of Public Instruction took place, and a proposal was drafted for joint adoption by the State Board of Regents and the State Board of Public Instruction. On January 1983, both boards approved the establishment of a joint committee based on the following general guidelines:

Purpose

Explore, cooperatively, ways and means to facilitate the continued development of instruction and articulation in the schools and universities of Iowa.

In February of 1984 the joint committee gave its report to a joint meeting of the State Board of Regents and the State Board of Public Instruction. At that time, the Board of Regent requested that its five institutions review the recommendations of the joint committee and report back to the board in May regarding the status of each of the recommendations at the Regent institutions.

After intensive deliberations and study, the committee concluded that improved instruction and articulation will result from the adoption of a unified set of graduate competencies for Iowa high school students. These competencies are in the following general areas: reading, writing, speaking and listening, mathematics, reasoning, and studying. The committee further concluded that these competencies should be accepted as a set of unified goals providing basic preparation for life, for work, and for further education. A variety of curricular approaches can produce these competencies, a condition that is important in recognizing differences in the abilities and interests of students.

The Board Office reported on each of the 17 recommendations of the joint committee, followed by the comments of the appropriate Regent institution. It was noted that not all of the recommendations relate to all of the Regent institutions.

Vice President Remington told the board that since the joint committee made its presentation to the two boards in February, the response statewide has been excellent. The report has been reprinted in voluminous quantities, and copies are in every school district in Iowa and in many offices in Des Moines. He and other members of the committee have been speaking all over the state. The committee is already seeing changes in school districts in educational priorities.

Vice President Remington said that, as the Board Office had noted, not all recommendations related to all Regent institutions. Before the joint committee had completed its task, it worked out a table that showed where responsibility for implementation was located. This table did not survive because the committee decided it was not a committee function to give specific recommendations on implementation. The joint committee had asked the two boards to create a committee on implementation.

The responses of the institutions to the recommendations, as reported by the Board Office, were individual responses. Speaking for the University of Iowa, Vice President Remington said there is in most cases general approval for the concept of the committee. Answers to some of the recommendations were aggregated from various sources in the university community. In some cases, there was no response because the recommendation was considered not applicable. He noted that there were similar responses from the other Regent institutions.

Regent Neu asked for comment on recommendation 2, a general statement concerning the role of parents and the family in the development of basic academic competencies. He asked how this could be implemented. Vice President Remington said the joint committee intended that this interaction take place primarily at the elementary and secondary level. This is also true of other recommendations concerning basic academic competencies. Regent Jorgensen said she has found teachers to be very apprehensive when parents come into the classroom. She hoped teachers can be trained to deal with this. Dr. Barak noted that the response from Iowa State University addresses this problem. It considers this recommendation a part of the mission of the programs in Child Development and in Teacher Education.

Regent Neu next asked about recommendation 4, education planning for the individual students. He asked what would be done at the university level in this regard. Vice President Remington said there is a general shortage of academic counselors at the secondary level. The universities need to work with the high schools to be sure that in terms of demand and need this is being addressed.

Regent Anderson asked why recommendations 9 and 10 were considered not applicable to the University of Iowa. These recommend horizontal articulation of instruction in the development of communication skills and quantitative reasoning. Vice President Remington said that again, as in recommendations discussed above, the university believed responsibility lay at the secondary level.

Regent Anderson referred to recommendation 7 concerning admission practices at Iowa colleges and universities, noting particularly the following paragraph from the response of the University of Northern Iowa:

This current year, which follows the year of numerous education reports and widely publicized recommendations, may be an ideal time for the Interinstitutional Committee on Educational Coordination to review the statement on high school preparation included in the "Admission Rules Common to the Three State Universities." There may be some value in having the three Regent universities agree to some basic requirements for all students entering a Regent university. Individual universities, colleges and/or departments could then make supplemental suggestions and requirements for those intending to become involved with their programs.

Dr. Barak said that if the board so requested, the Committees on Educational Coordination and Educational Relations could study this and report back to the board. Because of the involvement with elementary and secondary levels of education, the Board Office recommended that after the Interinstitutional Committees made their report the Regents work with the Department of Public Instruction on ways of implementing any recommended changes in admission requirements.

Vice President Martin called the board's attention to material submitted by the University of Northern Iowa describing changes in the university's expectations from enrolling students. These were communicated to the public schools a number of years ago, giving them an opportunity to prepare their curricula. These expectations address much in the joint committee report.

Vice President Martin noted that in the effort to respond to other recommendations in the joint committee's report, there may be instances where the planning period for the institutions will have to be truncated. The institutions will have to move quickly in planning for the board in such areas as computer education.

MOTION:

President Brownlee stated that the following recommendations were adopted by general consent of the board:

(1) adopt the status report on the implementation of the recommendations contained in the report of the Joint Committee on Articulation and Instructional Development; (2) request that the Inter-institutional Committee on Educational Coordination in cooperation with the Board Office develop recommendations on implementing the interinstitutional and inter-sector related recommendations contained in the joint committee's report; and (3) encourage the institutions to continue their efforts to respond to the joint committee's recommendations.

MEETING OF IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION. It was recommended that the board receive the report of the May meeting of the Council.

The major items of discussion at the May meeting were summarized by the Board Office as follows:

1. The Council received a report from the nominating committee regarding the elected officers for next year. President Parks and Vice President Christensen from Iowa State University were elected as co-chairs for the 1984-85 year. Mr. Richard Stauffer, a trustee at Iowa Western Community College, was elected as vice chair for 1984-85.
2. The Council heard a report on teleconferencing by Dr. James Ratcliff, Professor and Head of the Higher Education Section at Iowa State University.
3. The Council heard a report from the Continuing Education Economic Development Task Force by Owen Osborne, Associate Director, Engineering Extension Service at Iowa State University. Mr. Osborne said that the task force was initiated in the fall of 1982 in response to the clear and pressing need to promote economic development and diversity in Iowa. Mr. Osborne described some of the achievements of the task force to date.
4. The Coordinating Council heard a report on the passage of House File 509, an act to require registration with the Secretary of State of certain schools that maintain or conduct courses of instruction in the state of Iowa. This legislation was developed by a committee of the Council and was subsequently endorsed by all of the sectors of post-secondary education including the Board of Regents. A section of this legislation requires the establishment of a seven-member committee appointed by the Coordinating Council for Post-High School Education. The appointment of this committee and the administrative rules describing the procedures for registration must be developed by July 1 when this legislation goes into effect. These activities were underway.

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5. The Council heard a report by Regent Anderson on the proposed conference "The Way Up II: Understanding Financial Management in Higher Education." Regent Anderson described the preliminary work being undertaken by an ad hoc committee established for the purpose of developing the conference. The Coordinating Council approved an allocation of \$2,340 (balance remaining from last year's conference) plus up to \$2,000 in additional funds in support of this conference.

Regent Anderson noted that the board had voted formal approval of last year's conference. This was considered very helpful by the planners of the conference, and she requested similar action for this year's conference.

6. The Council approved without reservation the Bachelor of Science Degree in Exercise Science at the University of Iowa, the termination of the Bachelor of Arts degree in Physical Education at the University of Iowa, and the proposed curriculum changes at the University of Northern Iowa.

MOTION:

Mrs. Anderson moved that the board receive the report on the May meeting of the Iowa Coordinating Council for Post-High School Education; and that the board give formal approval to the conference "The Way Up II: Understanding Financial Management in Higher Education." Dr. Harris seconded the motion and it passed unanimously.

ANNUAL REPORT OF THE QUAD-CITIES GRADUATE STUDY CENTER FOR 1982-83.
It was recommended that the board receive the report.

The Board Office explained that the Quad-Cities Graduate Study Center is an eight-member consortium that includes both public and private institutions of higher education in a bi-state metropolitan area of Iowa and Illinois encompassing almost a half million people. The major responsibility of the center is to assess the need for, and coordinate delivery of, curricula leading to the master's degree. There are four Illinois colleges and universities and four Iowa institutions including Marycrest College, the University of Iowa, Iowa State University, and the University of Northern Iowa.

Funding for the center is provided by an appropriation from the state of Illinois, which comes through the Illinois Board of Higher Education, and an appropriation from Iowa administered through the Continuing Education Division of the University of Iowa for the State Board of Regents. It was originally envisioned that Illinois students would utilize the center to a greater degree than residents of Iowa. A use analysis, however, showed that people from each state use the center rather equally; therefore in 1975 a pact was reached that the two states should support the center

equally. Unfortunately, Iowa has not always fulfilled its obligation in this regard. The Board Office noted that the Iowa contribution was closer to parity with the state of Illinois in 1982-1984 than it had been previously.

At the board's request, Dr. Donald Johnson, Director of the Quad-Cities Graduate Study Center, provided the board with an annual report and current status of the Center. President Brownlee introduced Dr. Johnson, who was present at the meeting.

Regent Anderson said that, as a resident of the Quad-Cities area, she had heard expressions of concern from community leaders that support for some programs is being discontinued or reduced. She felt that these concerns are a significant potential public relations problem, not so much in the amount of money involved but in terms of the institutions pulling back on their commitments.

Dr. Johnson said there are cutbacks in several programs, and they are directly related to shortage of money. There is no diminution of interest or need, but there are cuts because of lack of faculty and commitment. He felt that the Regents need to be very careful to provide what he believed taxpayers wanted and expected in the area of public service and extension. There is visibility in this area, and when services are curtailed, the public becomes concerned. He hoped appropriate levels of financing can be maintained so taxpayers have these options which they consider essential.

MOTION: President Brownlee stated that the Annual Report of the Quad-Cities Graduate Study Center for 1982-83 was received by general consent of the board with thanks to Dr. Johnson.

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

The Board Office reported that the second session of the 70th General Assembly adjourned on Friday, April 20, 1984. Over 330 pieces of legislation received final approval from the General Assembly. Mr. Gross told board members that the Governor still had 40 bills to review.

Final legislative approval was received for seven of the ten Regents' legislative initiatives. These include:

Registration of Out-of-State Postsecondary Educational Institutions -- Sought by the Regents for several years, this will become effective July 1. It will require out-of-state postsecondary institutions offering courses in Iowa to register with the Secretary of State's Office.

End-of-Year Encumbrances -- A section was added to Senate File 2330 which would correct the end-of-the-year encumbrance problem. The corrective language would require the delivery by September 15 of items to be charged against a previous fiscal year ending on June 30.

In addition, the bill exempts from the delivery requirement all capital and building repair contracts as well as the purchase of specialized equipment and furnishings. This is of particular interest to the Regent institutions since purchase of sophisticated scientific research equipment requires long lead times and therefore delivery prior to the end of the fiscal year is quite difficult. The Comptroller's office expressed some concerns about the September 15 delivery requirement. The Regent institutions have indicated that they would implement this section of the encumbrance law consistent with the desires of the Comptroller.

Science and Math Incentives for ISD and IBSSS -- House File 2265 will allow mathematics and science teachers at the two special schools to take advantage of incentives provided for teachers last year.

Applications for Public Employment -- The Regents requested legislative action to exempt applications for full-time employment exemption from the public records requirements. The Legislature approved and the Governor signed Senate File 2294 which establishes an interim study to look at many public records issues. In addition, this legislation adds to the Iowa Code a new exemption to the public records requirement for certain communications received by a government body to the extent that the government body could reasonably believe that the persons would be discouraged from making such communications if those communications were available to the general public for examination. This bill allows such communications to be treated as a public record if the person making the communication consents to such treatment. Also, such communications are to be treated as public information to the extent that information can be disclosed without directly or indirectly indicating the identity of the person making the communication. The bill requires state agencies to adopt rules to spell out their policies on public review and comment on agency information.

Bonding Resolution Amendment -- House Concurrent Resolution 117 will allow the Regents to use the bonding authority granted in SCR 13 to purchase Theatre Addition equipment at the University of Iowa and to renovate the existing Agronomy Building at Iowa State University.

Phased Retirement for Regents Merit System Staff -- A recommendation of the Regents Committee on Efficiency and Cost Effectiveness, House File 2473 will extend the current phased retirement system for faculty and professional and scientific staff to Merit System staff.

Hazardous Waste Treatment -- The Governor has signed legislation which would allow the Regents to continue to operate hazardous waste treatment facilities.

Mr. Gross said three areas of the Regents Legislative program did not receive approval. This included Regent representation on the Interagency Coordinating Council for Radiation Safety and modifications in Regent investment authority and Regent insurance purchasing authority.

Mr. Gross briefly discussed four appropriations bills affecting the Regents. The total fiscal year 1985 appropriations will be approximately \$353 million, a 7.8 percent increase in available state appropriations from fiscal year 1984. Mr. Gross noted that most of this is in salary adjustment funds. A complete discussion of the uses of the appropriations is included in the preliminary budget docket items for the institutions.

The appropriation for fuel and purchased electricity was separated from the remainder of the Regents operating budgets. A lump sum of \$21,324,000 was appropriated to the Board of Regents for further allocation to the institutions.

The Legislature adopted an amendment to allow the Regent institutions to use surplus fuel and purchased electricity funds for maintenance purposes. The Regent institutions must, however, report on the uses of these funds to the chairpersons of the Appropriations Committees in the House and the Senate. The Board Office will work with the institutions to ensure proper reporting of these expenditures.

The Legislature also passed an amendment which would allow the Regents to use up to \$100,000 in FY 1984 as fuel contingency funds for potential utility budget deficits. The University of Iowa anticipated a deficit of several hundred thousand dollars which could be alleviated by this \$100,000. The Board Office and the university would be working closely with the Comptroller's Office in an attempt to secure those contingency funds.

Following the reduction of \$1.2 million in requested appropriations for tuition replacement, the Legislature approved an additional \$1.555 million in operating funds for the three universities. It is the legislative intent that these funds be used for essential staffing and support to relieve pressures of increasing enrollment and to increase the educational excellence of these institutions.

Other budget-related matters reported on by the Board Office included:

UNI Collective Bargaining. The General Assembly approved a section of the Educational Appropriations bill which requires that collective bargaining representatives for faculty and the university determine the distribution of funds contained in the Vitality Fund for fiscal year 1985. Distribution must be either according to the formula in the present contract or according to a different procedure that is agreeable to both sides. The amount to be distributed cannot exceed the teaching faculty's share of the Vitality Fund. The Board Office noted that it is the apparent legislative intent to limit these funds to two-thirds share of the Vitality Fund.

Old Administration Building. The Legislature approved intent language to require the Board of Regents to spend up to \$100,000 for the renovation of the Old Administration Building. The funds are to be derived from the proceeds of the previous sale of bonds for the Communication Arts Center. Mr. Gross told board members that bond counsel has informed the Board

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Office that such a use of funds would violate the contract with bond holders. It is therefore unlikely that the \$100,000 could be used for the Old Administration Building as directed by the Legislature.

Specialized Child Health Services. Action taken by the General Assembly would allow the continuation of the Specialized Child Health Services programs in fiscal years 1984 and 1985. A \$105,000 appropriation would prevent a deficit budget in the current fiscal year. For 1985, funding for these programs is at approximately 90 percent of their requested level but will allow for the continuation of each.

Vitality Fund. Action taken by the Legislature would allow the Regents to retain use of the \$8.5 million additional net tuition income to be used by the Vitality and Quality Fund for faculty and professional and scientific personnel at the Regent institutions.

The Board Office report noted a number of other bills affecting the Regent institutions, including the following:

Senate File 2160 -- This bill requires reciprocal purchasing preferences. The board adopted a policy on this issue at its April meeting. Mr. Gross noted that Minnesota has repealed its 10 percent preference law effective April 24. Thus Iowa's reciprocal preference law should have no impact with regard to Minnesota firms.

Senate File 2317 -- This bill allows the Regent institutions to grant up to a 5 percent preference for the purchases of Iowa coal. Mr. Gross told Regent Harris that the previous law required a "material" preference. The Board Office noted that consistent with past time schedules, the University of Northern Iowa and the University of Iowa are planning to award coal contracts in May of this year, before the July 1 implementation of this law. Thus those contracts would not be affected by the potential 5 percent preference but would be subject to the present "material" difference. The Board Office and the institutions are reviewing S.F. 2317 to determine appropriate alternatives to present to the board in June.

Senate File 2359 -- This bill appropriates up to \$10 million in fiscal year 1985 to implement a comparable worth pay grade system for state Merit employees. Regent Merit employees and professional and scientific and faculty employees are excluded from the provisions of the bill. However, the bill does specifically establish pay grades for job titles throughout the state's Merit system which could have some impact on the relationship of the Regents Merit system to its state counterpart. Future reports on this issue will be provided to the board.

Senate File 2351 -- This bill is the omnibus Social Services appropriations bill which includes provisions establishing a Medically Needy Program in the state of Iowa. The Medically Needy Program is essentially an expansion of the existing Medicaid Program for those whose incomes now exceed the Medicaid requirements. This bill expands those income eligibility requirements by 133 percent for pregnant women and children under 21 years of age who require medical services. This is the minimal Medically Needy Program which is allowed under federal law and is designed to be effective November 1, 1984.

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The Board Office reported that the Medically Needy Program will receive matching federal funds for the state dollars expended to finance this program. The estimated eight months of state costs of this program have been budgeted at approximately \$2.5 million. The budget figures used by the subcommittee that developed the proposal included a \$350,000 savings from the University of Iowa in order to finance a portion of the program. However, no reduction in appropriations for the University of Iowa Indigent Patient Care Program was made at this time.

Estimates for the cost of a Medically Needy Program range from \$10 million to \$66 million over a full year. Obviously there are a number of variables affecting the actual costs of the program, including level of participation and the number of services offered. The Legislative Fiscal Bureau and the University Hospitals are continuing their legislatively mandated study to assess the impact of the program on the Hospitals as well as to determine the potential cost of a Medically Needy Program. This report is expected in January 1985.

The legislation also included a proposal which authorizes the State Department of Human Services to seek a waiver for medically needy services. Such a waiver is limited to those counties containing or adjacent to counties which contain existing prenatal clinics of the University Hospitals. Such a waiver, if approved by the federal government, could help contain the loss of patients in the university's Indigent Patient Care Program due to a Medically Needy Program. Maintenance of appropriate patient load and appropriate funding levels are essential to the medical education program at the university.

The bill also requires additional reporting by the University of Iowa Hospitals to the Legislative Fiscal Bureau on the potential impact of the Medically Needy Program on the Indigent Patient Care Program as well as on the number of medically needy patients served by the University Hospitals. The Department of Human Services is required to use these records to estimate the total cost of a Medically Needy Program by March 1, 1985. While the waiver language does give evidence of concern among the legislators about the potential impact of the Medically Needy Program on the patients and funding needed to maintain the medical education program at the University of Iowa, full scale implementation of the Medically Needy Program could have a long-term effect on the University Hospitals funding and maintenance of patient load. Implementation of such a program must be carefully monitored and a careful analysis of funding and patient load alternatives must be conducted prior to the next legislative session.

Mr. Gross concluded by saying that Senate File 190, which requires employers to grant leaves of absence to employees for up to five years in order to serve in elective office, is now law. Other bills monitored by the Board Office failed to pass. These included a bill prohibiting Regent investments in South Africa, an upper-level management reduction bill, and a bill requiring reversion of out-of-state travel funds in FY 1985.

President Brownlee thanked the three Regent people who worked in Des Moines throughout this session: Ed Voldseth, Reid Crawford, and Frank

Stork. It was a difficult session and they accomplished a great deal. They voiced the needs of the Regents to the General Assembly very well. President Brownlee said that he couldn't emphasize enough the importance of this, and the board appreciated their work.

MOTION: The Final Legislative Report - 1984
Session was received by general consent
of the board.

MERIT SYSTEM PAY PLAN, CLASSIFICATION PLAN, AND RULE REVISIONS. It was recommended that the board approve the following recommendations to be effective July 1, 1984: (Explanation follows each recommendation)

1. Adoption of the pay matrices for non-organized employees and for blue collar, security, and technical employees, as submitted to the board.

The salary appropriations bill enacted last year provided for an increase in each step of each pay grade for both organized and non-organized employees in the amount of 4 percent for the fiscal year beginning July 1, 1984.

2. Adoption of a timetable for reimplementing of merit step eligibility for non-organized employees.

The salary appropriations bill allows for the reimplementing of merit steps which had been frozen for the past three years. Following extensive discussions with non-organized merit employees and institutional officials, the recommended timetable was developed with the intent of counteracting some of the compression of employees on the pay matrix which had developed during the past three years of merit increase freeze.

3. Provision for no increase in health insurance contributions required from employees who participate in State Plans II or III.

For employees with single coverage in State Plan I, the employer contribution will be determined as follows: When the single premium for Plan II is determined for 1983-84 the amount that is in excess of \$54.32 (paid for Plan II during 1982-83) will be added to the \$66 contributed towards Plan I in 1982-83. The resulting amount will be the employer's contribution toward Plan I single coverage. The employee shall pay the balance of the premium.

For employees with family coverage in State Plan I, the employer contribution will be the same amount as the employer contribution toward Plan II family coverage.

4. Provisions for dental insurance, effective January 1, 1985, as secured by the state with no charge for employee coverage. Employees will be allowed to purchase at their expense coverage for dependents provided that such coverage does not increase the single rate.

5. Revision of the following classifications:

<u>Existing</u>	<u>New</u>
Maintenance Repairer I	Facilities Mechanic I
Maintenance Repairer II	Facilities Mechanic II
Maintenance Mechanic	Facilities Mechanic III
Preventive Maint. Mechanic	Area Mechanic
Electrician	Electrician
Engineering Technician I	Engineering Technician I

The Board Office explained that the recommended changes in the six listed classifications do not affect pay grade assignments of the classes. The changes primarily are clarifying in nature and are intended to effect a clearer delineation of the duties already appropriately performed in each of the involved classifications.

6. Revision of Merit Rules as shown below:

3.104(4) Reduction in force. An institution may lay off an employee when it deems necessary because of shortage of funds or work, a material change in duties or organization or abolishment of one or more positions. When individual(s) directly affected are identified they may request and accept lay-off with reemployment rights as provided in paragraph two of section j of this rule. If individual(s) directly affected do not request lay-off with reemployment rights, the reduction in force procedures which follow shall be implemented. Reduction in force shall be accomplished in a systematic manner and will be made in accordance with formula developed by the institution and reviewed and approved by the merit system director for its conformance to these rules:

3.3(5) Suspension of merit increases. . . . (add to existing language)
Reinstatement of such increases shall be authorized by the board upon the recommendation of the merit system director and may include a delay in increases to promote equity among employees. Provided, however, that any such delay cannot exceed one year and must be applied uniformly throughout the system to all employees with like seniority in the system, or in classification of position, or other specified categorization.

Regent Anderson asked for an explanation of the revision to 3.104(4). Mr. Volm said this proposal allows an employee voluntarily, if so desired, to accept lay-off when his/her position is being eliminated rather than being required to go through staff reduction procedures which involve bumping. It provides additional flexibility for both employee and institution when it is determined that a position is to be eliminated.

The Board Office reported that on May 7, 1984, a public hearing as required by state law was held on the Regents Merit System proposals for 1984-85 on the campus of the University of Northern Iowa. Regent Jorgensen represented the board.

Following a review by the Merit System Director of the proposed changes in the Merit System Pay Plan, Classification Plan, and Merit Rules, questions and comments were solicited from the merit employees attending the hearing.

Questions were raised as to the application of the proposed revision of Merit Rule 3.104 and whether that revision would apply to both organized and non-organized merit employees. The Merit System Director indicated that the change would apply to organized employees only to the extent that it would not be in contradiction to the collective bargaining agreements negotiated between the State and AFSCME.

There was further discussion concerning the classification changes which are proposed with the Merit System Director pointing out that there are no pay grade changes as a result of these revisions. The revisions are intended to reflect more accurately the actual work performed on the affected classifications.

Representatives of Psychiatric Nursing Assistants from University Hospitals in Iowa City voiced a desire for a change in the classification and pay grade of Psychiatric Nursing Assistant. The University of Iowa indicated that it is in the process of reviewing those classifications, and the affected employees will be contacted during that review.

MOTION:

Mrs. Jorgensen moved that the board approve the following recommendations to be effective July 1, 1984: (1) adoption of the pay matrices for non-organized employees and for blue collar, security, and technical employees; (2) adoption of a timetable for reimplementation of merit step eligibility for non-organized employees; (3) provision for no increase in health insurance contributions required from employees who participate in State Plans II or III; with Plan I contribution as explained above; (4) provision for dental insurance, effective January 1, 1985, as secured by the state with no charge for employee coverage. Employees will be allowed to purchase at their expense coverage for dependents provided that such coverage does not increase the single rate; (5) revision of classifications as listed above; and (6) revision of Merit Rules as shown above. Mrs. Murphy seconded the motion and it passed unanimously.

A complete copy of the pay matrices, timetable for reimplementation of Merit Steps, and job descriptions for the classifications included in recommendation 5 is on file in the Board Office.

FACULTY SALARY SCHEDULE, ISD AND IBSSS, 1984-85. It was recommended that the board approve the proposed 1984-85 faculty salary schedule for ISD and IBSSS.

The Board Office reported that the proposed faculty salary schedule is the same for ISD and IBSSS. Implementation of the schedule will increase the average teacher's salary at ISD for the school year from \$17,947 this school year to \$19,767 next school year; the \$1,820 increase is approximately 10.1 percent. At IBSSS the average teacher's salary would increase from \$18,425 this school year to \$19,937 next school year; the \$1,512 increase is approximately 8.2 percent. The lower percent of increase at IBSSS compared to ISD reflects the higher percentage of faculty with the maximum number of years of experience for which credit is given on the salary schedule. The higher average salary at IBSSS also reflects this fact. The salaries and percents of increase shown above do not include the cost of fringe benefits and track changes.

Mr. Richey told the board that this plan had been worked out by the Board Office and the two superintendents. The intention was to reward faculty with more than 10 years of experience and an advanced degree. He noted that in comparison with the average salaries in the Lewis-Central School District (adjacent to Iowa School for the Deaf), the special schools are 6 to 10 percent below on every track.

Mr. Richey reminded the board that these employees' salaries were frozen last year while in the public schools the average increase was 5 percent. In 1985, the average increase in the public schools will be 4.6 percent. The average increase in the proposed schedule for the special schools is 7 3/4 percent, which will not allow these employees to catch up completely but will help close the gap.

Mr. Richey said that in order to meet the cost of these increases, the two special schools have reallocated funds within their budgets to the fullest extent possible because of the perceived need. The schools recommend the increases that this schedule will generate.

MOTION:

Mr. Neu moved that the board approve the proposed 1984-85 faculty salary schedule for Iowa School for the Deaf and Iowa Braille and Sight Saving School. Mr. Duchon seconded the motion and it passed unanimously.

SALARY POLICIES FOR PROFESSIONAL AND SCIENTIFIC PERSONNEL. It was recommended:

1. That the board approve the following policy for distribution of salary increases for professional and scientific staff: based on satisfactory performance, each staff member will receive a minimum increase of 4 percent; increases within grade over that amount will be distributed at the discretion of the institutions.

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2. That the board approve adjustment in pay schedules for professional and scientific staff as recommended by the institutions and the Board Office.
3. That the board direct that appointments to and salary increases for professional and scientific staff in positions assigned to top pay grades which have no dollar ceiling be submitted for individual review and approval by the board.

The Board Office explained that in the biennial appropriations bill enacted by the legislature in 1983, funds were provided for the fiscal year beginning July 1, 1984, to increase by 6.6 percent the salaries of professional and scientific staff at the Board of Regents institutions and the Board Office. Funding for increases in addition were made available through the institutions' vitality funds.

The salary schedule proposed for the University of Iowa professional and scientific staff for 1984 was developed by increasing the minimum and maximum of the first grade by 8 percent and each following grade by 1/4 of a percent more than the preceding grade. The proposal, which represents an average increase in grade ranges of 10 percent, was developed to address two concerns noted in a 1983 review of the P&S pay plan by the consulting firm that assisted in developing the initial plan 10 years ago. Those concerns relate to recognition of productive, long-term staff who are at or near the top of maximums of their pay grades, and the interface of merit system and P&S pay plans.

The University of Iowa noted that it has engaged the firm of Hayes/Hill Inc. to review its current P&S plan in light of state comparable worth legislation. The university expects the study to be completed by midsummer.

Iowa State University proposed a salary schedule for P&S staff for 1984-85 that is increased by 8 percent at the minimum and maximum of each grade over the schedule in effect for 1982-83 and 1983-84. In addition, the university proposed an open end in its maximum pay range (VIII). The university explained that the current maximum is not sufficient to pay competitive salaries for certain high level classifications.

The university also noted that it is negotiating with the consulting firm of Coopers and Lybrand to undertake an appropriate review of its professional and scientific pay and classification system relative to state comparable worth legislation. That review should be completed in early summer.

The University of Northern Iowa recommended that its current salary schedule for P&S staff be increased for 1984-85 by 5 percent at the minimum of each range and by 8 percent at the maximum of the ranges. The university's recommendation is based on survey findings, legislative appropriations, and available vitality funds.

The university noted that changes in its operating structure and the realignment of duties and responsibilities have caused it to undertake a general review of its P&S classification and compensation system.

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That review will be completed soon and may result in a number of changes in descriptions and pay grade assignments which will be submitted to the board. The university also is negotiating with an outside consulting firm (Coopers and Lybrand) to review its P&S classification and compensation system in light of state comparable worth legislation. That review is planned for completion this summer.

The salary schedule recommended for P&S at ISD and IBSSS was developed by increasing the grade minimums and maximums in effect for 1982-83 and 1983-84 by 9 percent.

The recommended salary schedule for the Board Office professional staff was developed by increasing the salary ranges in effect for 1982-83 and 1983-84 by 4 percent as mandated in the biennial appropriations law passed by the General Assembly in 1983. This increase is the same as other state employees except faculty and professional employees in Regent institutions. Mr. Richey pointed out that Board Office professional staff are included with the rest of state government in regard to salary increases. It would be a priority of the Regents next fall to remove these staff members from this category to allow the board to use its own discretion in the matter of pay increases for these employees.

A new classification, Administrative Assistant, in pay grade IV (\$19,428 - \$28,448) was proposed in the Board Office pay plan to be effective July 1, 1984.

Concerning recommendation 3, Iowa State University recommends no maximum salary for its highest pay grade. It is expected that such salaries and appointments would be rare but exceedingly important to the institution. The P&S salary plan at the University of Iowa currently has no ceiling on its highest pay grade. Eight staff members are in positions assigned to that pay grade.

The recommended action (3) would require that all appointments and salaries for positions in the maximum pay grade be submitted for individual review by the board. Mr. Volm said procedures for these appointments and salaries would be handled as they are now for vice presidents, deans, and major administrators. Such review would provide the board with appropriate oversight of salaries and give the universities flexibility to meet rare but critical needs.

MOTION:

Dr. Harris moved (1) that the board approve the following policy for distribution of salary increases for professional and scientific staff: based on satisfactory performance, each staff member will receive a minimum increase of 4 percent; increases within grade over that amount will be distributed at the discretion of the institutions; (2) that the board approve adjustment in pay schedules for P&S staff as recommended by the institutions and the Board Office; and

(3) that the board direct that appointments to and salary increases for professional and scientific staff in positions assigned to top pay grades which have no dollar ceiling be submitted for individual review and approval by the board. Mr. Neu seconded the motion and it passed unanimously.

PRELIMINARY INSTITUTIONAL BUDGETS -- FISCAL YEAR 1985. It was recommended:

1. That the fuel and purchased electricity appropriation of \$21.324 million be allocated to the Regent institutions.
2. That the Western Iowa Continuing Education special purpose appropriation be allocated for fiscal year 1985 to the University of Iowa at a level of \$40,000 and to Iowa State University at a level of \$62,060.
3. That the Quad-Cities Graduate Study Center Program budgeted at the University of Iowa be allocated in the amount of \$7,582 additional support from a special purpose appropriation, and
4. That all other special purpose appropriations be given preliminary approval.

The Board Office reported that preliminary FY 1985 budgets are transmitted to the board at this time for action. The budgets were reviewed by the Board Office to confirm that appropriation limits are recognized, that changes in institutional income appear reasonable, that budget changes are consistent with board policies, that legislative and executive intents are met, and that budget plans are internally consistent with previous plans. President Brownlee said the board would review and take action on the institutional budgets separately (see institutional sections of the Minutes). Final board action on operating budgets would take place in July.

Enrollment. Regent university fall enrollment headcount is forecast to increase from 66,823 in the fall of 1983 to 67,818 this fall, an increase of 1.5 percent. The Board Office noted that enrollment projections for fall 1984 are uncertain at best. Chief factors remain the state of the economy and the impact of the tuition increase approved for fiscal 1985. Any substantial deviation from the enrollment forecast will have substantial budgetary impact on institutional income estimates. Therefore, enrollment levels must be monitored closely.

Program Directions. The Regents have received previous indications that student interests in education are in a state of change. Campuses are experiencing increasing demand for courses in the areas of business administration, engineering, and computer science. The institutions proposed to make use of educational excellence funding and available institutional income to meet these instructional needs to the extent possible. Vitality and quality funding will be used on the basis of competition and merit to increase the quality of the educational programs at the institutions.

Other than the use of educational excellence and salary funds, the Board Office reported that budgets proposed to the Board of Regents do not reflect any significant programmatic changes. The primary emphasis in these budgets is the need to provide competitive salaries to ensure the quality of educational programs at the institutions.

Scope of Budget Plans. Preliminary budget plans presented for the board's approval total \$592,767,000 for operating budgets for FY 1985. Overall this amounts to a 9.4 percent increase over the budgets approved for operations in FY 1984 (before reversions) and a 10.4 percent increase from the revised FY 1984 budgets.

INCOME BUDGETS

Institutional Income Estimates. Regent institutions proposed to earn \$255,052,000 for education and general operating support in FY 1985. This is a 15.7 percent increase in institutional income over that included in FY 1984 approved budgets and a 13.1 percent increase over revised FY 1984 budgets. Institutional income represents approximately 43 percent of total operating income for FY 1985 -- a 2 percent increase from last year.

Over \$125 million of the expected institutional income is in the form of sales and services. The bulk of that is from paying patient revenues at the University of Iowa Hospitals and Clinics, Psychiatric Hospital, and Hospital School which account for \$123.2 million. Student fees will raise approximately \$103.1 million in FY 1985. The increase in student fees of approximately \$19 million over FY 1984 budgeted levels is the result of extraordinary tuition increases approved by the board for FY 1985 as well as the expectation of additional enrollment.

The institutions also include unrestricted federal funds in their general operating budgets. These account for \$11.3 million of institutional income, an approximate 6.1 percent increase from both last year's budgeted level and last year's revised level. A category called Other Income involves primarily indirect cost reimbursements from federal grants and contracts and temporary investment income. The Board Office noted that these latter two forms of institutional income are difficult to estimate.

State Appropriations. The Regent institutions expect to receive \$337.7 million in state appropriations in FY 1985. This is a \$16.3 million increase over state appropriations initially provided in FY 1984. However, it is an increase of \$26.5 million from actual FY 1984 appropriations after the required 2.8 percent reversion and reductions in salary adjustment funds. The most significant increase in state appropriations is in the salary adjustment fund where approximately \$23 million in state funding is provided, compared with a \$2.1 million in actual appropriations in FY 1984.

The Board Office noted that the 2.8 percent reversion made in FY 1984 was maintained in the FY 1985 appropriation. Increases in the Regents appropriations for FY 1985 come largely through the salary adjustment fund.

EXPENDITURE BUDGETS

Institutional Expenditure Estimates. The institutions plan to spend \$592,767,000 on their general program operating budgets in FY 1985 as shown below:

1984-85 Proposed Expenditures

	<u>1983-84 Approved Budget</u>	<u>1984-85 Proposed Budget</u>	<u>Percent Change</u>
Salaries & Fringe Benefits	\$415,924,000	\$457,495,000	+10.0%
Fuel & Purchased Electricity	23,256,000	24,271,000	+ 4.4
Supplies & Services	85,653,000	91,112,000	+ 6.4
Equipment	5,562,000	7,650,000	+37.5
Books	6,935,000	7,452,000	+ 7.5
Building Repair	<u>4,487,000</u>	<u>4,787,000</u>	+ 6.7
Total	<u>\$541,817,000</u>	<u>\$592,767,000</u>	<u>+ 9.4%</u>

Salary Policy. The preliminary operating budgets of the Regent institutions reflect a policy to provide salary increases based upon competition and merit. The additional institutional income and the additional state appropriations are related to this policy. The Regents plan to provide salary increases for general service staff consistent with the state policy to provide for an average 6.6 percent salary increase. Professional and scientific personnel and faculty will receive funds provided through the state salary adjustment fund as well as the faculty vitality and quality fund of approximately \$8.5 million.

The Board Office noted that the FY 1985 salary adjustment funds were appropriated at the 90 percent level of funded positions, with state agencies expected to obtain the unfunded portion through salary savings and other sources of income. In addition, the salary adjustment fund appropriated by the state did not provide enough funds to meet the fringe benefit needs of the Regent institutions, particularly health insurance. Therefore, the state salary adjustment fund is significantly underfunded for the Regent institutions. The exact level of underfunding would not be known until private insurers establish health insurance rates for FY 1985.

Student Aid. The university budgets include substantial increases for financial aid to students. Mr. Gross requested that the minutes show that the tuition income set-aside for student aid is up an average of 17.4 percent, rather than the incorrect figure shown in the docket material.

Fuel & Purchased Electricity. The \$21.324 million state appropriation is only 3.7 percent above the fuel and purchased electricity appropriations made available in FY 1984. The allocations recommended for board approval for FY 1985 reflect actual fuel and purchased electricity needs in FY 1984 and are based on the best available consumption and price information available. The Board Office said it is expected that the institutions

may have a difficult time avoiding deficits in their fuel and purchased electricity accounts in FY 1985, particularly if the winter is harsher than normal. Therefore, the Regents may have to request supplemental appropriations for fuel and purchased electricity in the coming year.

Essential Program Adjustments. The Regents are receiving \$3.045 million in essential program adjustments from state appropriations in FY 1985. These essential program adjustments relate to opening of new buildings at Iowa State University and the University of Iowa, student aid at Iowa State University, waste water charges at UNI, parental education at ISD, and vocational education at IBSSS.

In addition, approximately \$1.550 million in essential program adjustments were provided through the excellence in education appropriation in Senate File 2361. These funds were allocated to the three state universities and are to be used to increase instructional offerings and generally to increase the quality of education at each of the institutions. The amount of \$767,000 in program adjustment funds was provided to Iowa State University to begin seven different programs related to the development of alternate food crops in Iowa, the expansion of market opportunities for farm products, and the development of farm management programs.

Price Inflation. The Legislature approved the Governor's recommendations to provide 7 percent price inflation increases for the Regents for equipment, building repair, and supplies and services. Ten percent price inflation increases were provided for library books. However, the Governor and the General Assembly also reduced the overall institutional operating budgets by 2.8 percent. For the most part, the institutions responded to these reductions by limiting the price inflation increases which had previously been provided by the Governor's budget.

Special Purpose Appropriations. These Regent appropriations include standing appropriations, block grant appropriations, and other appropriations. The Board Office noted that this year the Family Practice and Specialized Child Health Services appropriations made to the University of Iowa are included in the general program operating budgets and are not classified as special purpose appropriations.

Regent Anderson said she realized the amount recommended for the Quad-Cities Graduate Study Center (recommendation 3) was just a small portion of the Regents' actual support for the Center. She asked how the rest of the support was allocated. The Board Office reported that the final amount to be provided to the Center will be included in the University of Iowa line budget. The amount in the recommended action (\$7,582) is made independently of the university's budget to call attention to the inter-institutional and interstate efforts involved in this program. Mr. Richey said the University of Iowa will communicate to the Board Office what they proposed to budget for the Center. This will reflect the budgetary intent of the Legislature and the need to maintain parity with the Illinois contribution. The Board Office will concur with the university's recommendations or, if not in agreement, will refer the matter to the board. Mr. Gross said the amount in the SUI budget this year is \$120,000.

Finally, the Board Office reported that the Regents have received an appropriation of \$15,111,842 for tuition replacement for FY 1985. This is a reduction of approximately \$1.2 million from the original request. However, due to delays in bond sales and favorable interest earnings on idle funds, it is anticipated that these funds will be sufficient to meet the Regents debt service obligations in FY 1985. A complete report on anticipated tuition replacement needs will be provided to the board following the sale of the last issue of bonds authorized in SCR 13.

MOTION:

Dr. Harris moved that the (1) fuel and purchased electricity appropriations of \$21.324 million be allocated to the Regent institutions; (2) that the Western Iowa Continuing Education special purpose appropriation be allocated for fiscal year 1985 to the University of Iowa at a level of \$40,000 and to Iowa State University at a level of \$62,060; (3) that the Quad-Cities Graduate Study Center Program budgeted at the University of Iowa be allocated in the amount of \$7,582 additional support from a special purpose appropriation; and (4) that all other special purpose appropriations recommended be given preliminary approval. Mr. McDonald seconded the motion and it passed unanimously.

PROPOSED PRELIMINARY BOARD OFFICE BUDGET, FISCAL YEAR 1985. It was recommended that the board approve the preliminary budget of \$753,665 for fiscal year 1985.

The proposed budget of \$753,665 for fiscal year 1985 compares to the budget for the current year of \$716,490, an increase of 5.2 percent. If the amount for the Efficiency and Effectiveness Committee is deducted from the fiscal year 1984 base, the increase is 6.7 percent. The proposal would be financed by an estimated increase of 6.1 percent in appropriations and 7.1 percent in institutional reimbursements. The proposed budget reflects no changes in programs or in the number of employees. It does include the 2.8 percent reduction in base appropriation applicable to all state agencies.

Salaries and Wages. The proposed salary budget for fiscal year 1985 of \$626,665 reflects the salary policies encompassed in the appropriation act. The salary policy provides that increases for professional and scientific personnel shall be at 6.6 percent while merit employees would increase by 4 percent across the board plus a step increase based on meritorious performance.

The proposed budget for fringe benefits reflects current health insurance rates and the inauguration of the new dental insurance program on January 1, 1985. When the new health insurance rates are known, they will be reflected

in the final budget which will be brought to the board for review and appropriate action.

The salary of the Executive Secretary is set by the Governor. The salary range for the position is \$42,400-\$54,600. The current salary of the Executive Secretary is \$52,000. The salary is budgeted at the current rate until the action of the Governor is known.

The final salary budget for the Board Office is expected to be presented to the board in either June or July and will reflect the new health insurance costs as well as other mandated changes.

Other Operating Expenditures. Other operating expenditures include per diem and expenses of board members, travel for Board Office employees, general office expenditures, telephone, contractual services, and equipment. Substantial savings are expected in the budget for the current fiscal year for expenses of board members. It was anticipated that only \$23,000 will be spent of the \$28,000 budgeted. Expenses of the Regents Efficiency and Cost Effectiveness Committee are estimated to be approximately \$15,000, which is about \$5,000 more than originally estimated. This additional cost will be borne from savings in other components of the Board Office budget.

Mr. Richey explained that savings from vacant positions in the current year will be used to a large extent to purchase equipment that will result in lower budget outlays in the next few years in that category. The amount available from salary savings is higher than usual in the current year because of the reorganization of the office.

The Board Office noted that the savings in the area of board per diem and expenses result from the conservatism of board members in claiming expenses, the shorter duration of board meetings, and a vacancy on the board for a few months. The proposed budget of \$26,000 for FY 1985 for this purpose is based on a full board complement and a more normal pattern for claiming reimbursements. President Brownlee noted that the board also has more two-day meetings scheduled which could add expenditures.

Income Estimates. The Board Office is financed by a combination of direct appropriations, institutional reimbursements, and a relatively minor amount from miscellaneous receipts. The appropriations that are reflected in the proposed budget for fiscal year 1985 include direct appropriations of \$433,343 plus an estimate of \$23,600 from the salary adjustment fund. The actual amount allocated by the State Comptroller will not be known for several weeks and it does not include any allocations for additional costs of health insurance or any adjustment in the salary of the Executive Secretary.

The estimated amount from institutional reimbursements of \$209,222 represents a 7.1 percent increase over the amount for the current year, exclusive of the \$10,000 for the Efficiency and Effectiveness Committee. Practically all of this increase is because of the mandated policies for salary increases.

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Estimated income also includes receipts from miscellaneous sources in the amount of \$6,500.

Mr. Richey said the Board Office budget would be brought back to the board in July with any changes indicated for final approval.

MOTION: Dr. Harris moved that the board approve the preliminary budget for the Board Office of \$753,665 for fiscal year 1985. Mrs. Murphy seconded the motion and it passed unanimously.

CAPITAL ALLOCATIONS FOR FY 1985. It was recommended that the board allocate the sum of \$725,000 in capital appropriations provided in Section 23 of S.F. 2361 to the Board of Regents institutions for the projects and amounts identified below.

The Board Office explained that Senate File 2361 provided \$725,000 in a lump sum from the state's general fund for allocation by the board to the University of Iowa, Iowa State University, and Iowa Braille and Sight Saving School. It was recommended that the board allocate the \$725,000, as shown below, with the understanding that the institutions would have the flexibility to use any unspent balances on other projects within the list, subject to board approval prior to expenditure.

University of Iowa

Fire Safety Deficiency Corrections	<u>\$250,000</u>
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Iowa State University:

Fire Safety Deficiency Corrections	\$250,000
Planning for College of Education Building-- Phase II (Old Vet Clinic Conversion)	75,000
Planning for Home Economics Building	<u>125,000</u>
Subtotal	<u>\$450,000</u>

Iowa Braille and Sight Saving School:

Utility System Master Plan and Other Campus Improvements	<u>\$ 25,000</u>
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TOTAL	<u>\$725,000</u>
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The Board Office said the projects and amounts for each project shown above are consistent with the Governor's recommendations for FY 1985 and the legislative intent on how these funds should be distributed. With the exception of the Home Economics project at Iowa State University, funds for each of these projects were originally appropriated for FY 1984. However, funding was either reduced or eliminated as part of budget cuts ordered in September 1983.

Projects that were reverted include funding for Communications Facility equipment and Field House equipment at the University of Iowa, Mechanical Engineering Building equipment at Iowa State University, and energy management funds for the five institutions. With the exception of energy management funds, the universities have been given flexibility by the Governor to accomplish the projects within their operating budgets without additional appropriations. The energy management project can be completed by using unspent energy conservation bond revenues from the 1984 issue.

MOTION:

Mrs. Jorgensen moved that the board allocate the sum of \$725,000 in capital appropriations provided in Section 23 of S.F. 2361 to the Board of Regents institutions for the projects and amounts identified above. Mrs. Anderson seconded the motion and it passed unanimously.

RULE CHANGE ON BID SECURITY (CASHIER'S CHECKS). It was recommended that the board:

1. Adopt an amendment to its administrative rules to incorporate the term "cashier's check(s)" to Rule 720-8.6 (262); and
2. Adopt the term "cashier's check" as an amendment to the appropriate sections of the Regents Procedural Guide.

The Board Office explained that the proposed rule change reflects a change from an earlier opinion of the Attorney General's Office which denied the use of cashier's checks as bid security on capital improvement proposals and other contracts for goods and services since 1971. The Attorney General's Office now has given its informal advice that a cashier's check is acceptable bid security. That change of opinion is based on 1980 case law and the specific use of the term "cashier's check" in the Iowa Code § 23.20 which provides that bid bonds may be used ". . . in lieu of certified or cashier's checks or any form of security otherwise required"

With the approval of this rule amendment, all state government primary purchasing entities will be authorizing the use of cashier's checks as bid security.

The Board Office said that the Regent institutions had participated in seeking this informal advice and fully support the proposed amendment.

MOTION:

Mr. Duchon moved that the board (1) adopt an amendment to its administrative rules to incorporate the term "cashier's check(s)" to Rule 720-8.6 (262), and (2) adopt the term "cashier's check" as an amendment to the appropriate sections of the Regents Procedural Guide. Mr. Neu seconded the motion and it passed unanimously.

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STUDENT TEACHING CONTRACTS FOR 1984-85. It was recommended that the board approve the student teaching contract forms for 1984-85 for each of the three Regent universities.

The Board Office said that each of the universities had submitted its student teaching contract form for 1984-85. No changes had been made from the form in use during the 1982-83 year.

MOTION: Mrs. Anderson moved that the board approve the student teaching contract forms for 1984-85 for each of the three Regent universities. Mrs. Murphy seconded the motion and it passed unanimously.

BOARD OFFICE PERSONNEL REGISTER. The following action was ratified by general consent of the board:

Change of Status: Cheryl Floyd, Secretary/Receptionist, to permanent status after a six-month probationary period, effective May 7, 1984.

NEXT MEETINGS. President Brownlee said the next meetings are as follows:

June 20-21	Iowa State University	Ames
July 11-12	University of Iowa	Iowa City
August	No Meetings	
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 announced that Regent McDonald was excused from the remainder of the board meeting. He would not be in attendance for the institutional docket items still requiring board action.

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

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Thursday, May 17, 1984.

PRELIMINARY BUDGETS FOR 1984-85, UNIVERSITY OF IOWA. It was recommended:

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

General University	\$181,772,482
University Hospitals & Clinics	145,536,600
Psychiatric Hospital	8,612,200
Hospital School	4,851,563
Hygienic Laboratory	3,094,427
Specialized Child Health Services	2,773,691
Oakdale Campus	2,588,759
Family Practice	<u>1,426,809</u>
Total	<u>\$350,656,531</u>

2. That \$40,000 be allocated to the General University for Western Iowa Continuing Education.
3. That \$7,582 be allocated to the General University for the Quad Cities Graduate Study Center.
4. That allocations for fuel and purchased electricity be made as follows:

General University	\$ 10,314,000
University Hospitals & Clinics	536,000
Psychiatric Hospital	78,000
Hospital School	107,000
Oakdale Campus	<u>537,430</u>
Total	<u>\$ 11,572,430</u>

5. That rate increases of 5.7 percent for University Hospitals, Psychiatric Hospital, and University Hospital School, and 4.1 percent for University Hygienic Laboratory be approved, effective July 1, 1984.
6. That the university be requested to review its projections of indirect cost reimbursements and salary adjustment short falls with comments and/or modifications to be submitted with final budgets.

7. That the university include in the narrative accompanying future preliminary budgets and in the final line budgets information relating to the relationship between programmatic change and budget proposals.

The Board Office reported that the total proposed 1984-85 operating budget of \$350,656,531 for all units represented within the University of Iowa budget is a 9.8 percent increase over the originally approved operating budgets for 1983-84 and a 10.7 percent increase over revised 1983-84 budgets.

GENERAL UNIVERSITY

The proposed General University operating budget of \$181.8 million for 1984-85 represents an increase of 10.6 percent over the university's original 1983-84 budget. However, the Regent approved budget for 1983-84 was subsequently reduced by \$3.6 million due to the 2.8 percent reversion and reductions in salary adjustment funds. This reduction was partially offset by an increase of \$2.6 million in institutional income from the original fiscal year 1984 budget. The revised 1983-84 budget is thus approximately \$0.9 million below its original level and the proposed budget for 1984-85 represents an increase of \$18.2 million or approximately 11.2 percent over the revised 1983-84 budget.

Additional institutional income from the original 1983-84 budget included \$2,139,000 in student fees. The Board Office noted that the estimates of student fees for the 1983-84 year may have been overly conservative.

Resources. Anticipated resources for 1984-85 include a total of \$123.7 million in state appropriations and \$58.1 million in institutional income. Appropriations include \$104.8 million in general education funding, \$10.3 million for fuel and purchased electricity, \$8.5 million for salary adjustments, \$40,000 allocated to the University of Iowa for Western Iowa Continuing Education, and \$7,582 for the Quad-Cities Graduate Study Center. Included within these appropriations are \$700,000 appropriated for excellence in education, and these funds are to become part of the base.

President Brownlee said there is a commitment by the Regents that the appropriation for excellence in education will be used for instructional purposes. Vice President Ellis said this commitment corresponds to the needs of the University of Iowa. These funds will be used specifically in areas where the university is experiencing an increase in student enrollment.

The university estimated that its 1984-85 institutional income will be \$10.2 million above its original 1983-84 budget level, or \$7.5 million above the revised 1983-84 budget. A total of \$47.3 million is projected from student fee income, an increase of \$7.2 million over estimated 1983-84 student fee income. The total fees projected represent an average increase of 14.3 percent in annual tuition per fiscal year full-time equivalent student and an 18.7 percent fee increase overall. This rate of increase appears to be reasonable in view of tuition increases ranging from 12.5 to 25 percent.

The fee increase is based entirely on increased tuition rates, as the university indicated that it based its income projections on a fall enrollment identical to that reported in 1983. Vice President Ellis noted that this has been the standard procedure for a number of years. This year it is more important than ever to use this assumption, even though official enrollment projections show an increase of 800 students. That projection was made prior to the increase in rates and before the university changed its admission standards. Vice President Ellis said that pre-enrollment figures indicate the university will not achieve this projected increase. Mr. Richey said that while this is a prudent method of budgeting, it is important that the board know the actual figures when that information is available.

The Board Office reported that an increase of \$300,000 is budgeted for Other Income with an assumption that investment income may increase by \$100,000 over the 1983-84 budget or \$300,000 above the revised 1983-84 budget. These estimates are dependent upon an expected substantial increase in interest rates. The Board Office questioned the university's assumption that indirect cost reimbursement will remain at the revised 1983-84 budget level. Vice President Ellis said indirect cost reimbursement is a specific target of the federal government at this moment. The university was recently visited by representatives of the government looking for ways to reduce indirect cost reimbursement. The university feels its ability to recover this in the future is increasingly questionable. Mr. Richey noted that the question of overhead reimbursement is a long-standing situation. In 17 years, there has not been one year in which it was not higher than the original estimate. The Board Office suggested that the university adjust both income and expenses to reflect this income more realistically.

Expenditures. Faculty and institutional official salaries are proposed to be increased with funds from both appropriations and tuition revenues. These increases are to be provided on the basis of merit and competition and are funded from the state salary adjustment appropriation and the vitality and quality fund. However, the salary adjustment fund is projected to fall as much as \$1.7 million short of meeting the 6.6 percent salary increase for which it was appropriated, and tuition fee income is proposed to make up the difference. Vice President Ellis said that the university had estimated costs based on figures supplied by the state for fringe benefit costs. If these figures are too high, the university will make an adjustment in the final budget. The Board Office said the university should specify in the narrative accompanying the final line budget the expected distribution of the excellence and vitality funds by areas of program emphasis.

Professional and scientific staff salary increases will also be funded with a combination of salary adjustment funds and tuition revenues. General service staff salaries will be increased in accordance with the appropriations bill and the collective bargaining contracts.

The university's 1984-85 budget for fuel and purchased electricity shows substantial growth. The fuel budget for fiscal year 1984 is expected to

be as much as \$200,000 in the red. The projected increases for fiscal year 1984 are attributed to increased costs of purchased electricity in addition to increased electrical demand created by greater use of sophisticated equipment. The Board Office noted that the fuel budget must be closely monitored through the coming fiscal year.

The supplies and services budget is increased by 14.4 percent over the revised 1983-84 level. This includes an increase of \$1,112,000 provided from the tuition increase to be set aside for added student financial aid, as previously directed by the board.

Major increases for equipment expenditures include the addition of \$1.18 million for equipment for the Communication and Field House office buildings as well as fire safety improvements. In addition, \$200,000 in educational excellence funding is to be used for student instructional equipment, particularly computer equipment.

The budget for library books was adjusted upward by 10 percent consistent with the Governor's recommendation.

Building repairs are projected to increase by 13.5 percent over the originally approved 1983-84 budget but are budgeted at a lower level than the actual 1983-84 amount.

UNIVERSITY HOSPITALS AND CLINICS

The preliminary operating budget of \$145.5 million for the University Hospitals for 1984-85 is approximately 10.1 percent over the original 1983-84 budget and 10.8 percent over the revised 1983-84 budget.

Resources. Anticipated resources for 1984-85 include a total of \$25.7 million in state appropriations and \$119.8 million in institutional income. State appropriations include \$536,000 in allocations for fuel and purchased electricity, \$1.2 million in salary adjustment funds, and approximately \$24 million for the indigent patient care program. Nearly \$120 million of the institutional income is received from sales and services. This is the bulk of all institutional income. Increases of income in 1984-85 result from inflation increases, income generated through new programs, and additional income from paying patients.

Expenditures. In addition to adjustments for inflation increases, the university reported a total of \$3.0 million in increases due to programmatic or other changes. Included in this category are the opening of two new buildings, restoration of fiscal year 1984 reversions, and extension of the End-Stage Renal Disease Dialysis Program.

Also included in this category is a major new programmatic thrust, extension of the Organ Transplant Program to include heart and liver transplants. The university indicated that with the development of the new drug cyclosporine, survival rates for heart and liver transplant patients have improved significantly, and such organ transplants are no longer viewed as experimental. Further, major third party payers are

developing payment protocols for coverage of these procedures. Therefore, the university proposed to extend its organ transplant program to include heart and liver transplants. This would be the only heart and liver transplant program in Iowa. University Hospitals and Clinics indicated that it anticipated 10 heart transplants and 5 to 10 liver transplants might be performed during the first year of the program.

Mr. Gross noted that this program would be funded with fees generated by the procedures themselves. Regent Anderson asked if this was still a somewhat controversial issue. Mr. Richey said this issue was being resolved, since third party payers are working payment plans out.

Proposed Rate Increase. The university requested board approval of a 5.7 percent rate increase to be effective July 1, 1984, for University and Psychiatric Hospitals and University Hospital School paying patients. Paying patient revenues generated from the rate increase are based on continuation of the historic pattern of utilization. This will assure attainment of the \$119.8 million budgeted for institutional income.

The university also noted that its rates of charge will have increased less than national averages for the period 1972-1985 and that its total budget increases are 12 percent below those experienced by other hospitals nationwide for the calendar years 1982 and 1983. The university also reported that its average per diem charge will continue to be among the lowest of comparable midwestern university teaching hospitals.

Regent Anderson noted that the issue of rate increases in hospitals is of great public interest, and she felt the board had inadequate time to discuss this. She felt it was especially important at this time because the proposed rate increase is recognition that there is a shortfall in the indigent patient appropriation. Regent Harris noted that it is normal hospital fee structure for paying patient revenues to offset indigent patient care. President Brownlee said that the board would examine plans for the future when the hospital makes its quarterly report in July, but there is not much a hospital board can do but set fees at the level necessary to meet ongoing needs.

Regent Harris said it could be argued that there is not a better university hospital in the country than University Hospitals and Clinics, and this is not by accident. It is this way because of the quality of the administration and staff. The state is very fortunate. It has high quality and yet costs have been kept down.

County Quota Allocations. No change in county quota allocations under the indigent patient care program was proposed, despite reduced appropriations support. It is assumed that the proportions of indigent patients and paying patients will stay the same in FY 1985 (19.7 and 80.3 percent, respectively). These proportions as applied to the proposed budget and state appropriations yield a \$2.9 million deficit in appropriations. The University Hospitals indicated that this amount will be offset from paying patient earnings in order to avoid what would otherwise be a 22 percent reduction in the county quota. The impact of a medically needy program on the indigent care program will be closely monitored.

PSYCHIATRIC HOSPITAL

The preliminary operating budget for the Psychiatric Hospital is \$8.6 million, which represents an increase of approximately 7.5 percent over the original 1983-84 budget and an increase of 9.8 percent over the revised 1983-84 budget level.

Resources. Anticipated resources for 1984-85 include a total of \$5.6 million in state appropriations and \$3.0 million in institutional income. Increases in institutional (paying patient) income are anticipated due to an increase in service volume and a 5.7 percent rate increase. The university's budget proposal indicated that this rate increase combined with other revenues from increased service volumes and indirect cost reimbursement will generate the \$3.0 million institutional income figure budgeted for 1984-85.

Expenditures. The budgeted increases, in addition to adjusting for inflation, provide for partial restoration of 1983-84 reductions in staff, equipment, and repairs due to the required 2.8 percent reversion. No significant program changes are expected.

UNIVERSITY HOSPITAL SCHOOL

The preliminary operating budget of \$4.85 million for the Hospital School for 1984-85 is approximately 8.4 percent above the original approved 1983-84 budget and approximately 11.5 percent above the 1983-84 revised budget.

Resources. The expected resources for 1984-85 include a total of \$4.0 million in appropriations and \$833,142 in institutional income. The budgeted increase in institutional income is the result of expected increased service volume, increased indirect cost reimbursements, and a proposed 5.7 percent rate increase.

Expenditures. The increases in proposed expenditures are budgeted to provide for inflation increases and for the restoration of reductions resulting from the 1983-84 required reversion. No program changes are expected.

UNIVERSITY HYGIENIC LABORATORY

The preliminary operating budget of \$3.1 million for the Hygienic Laboratory is approximately 8.6 percent over the approved budget for 1983-84 and 11.3 percent over the revised 1983-84 budget.

Resources. The anticipated resources for 1984-85 include a total of \$2.2 million in state appropriations and \$909,291 in institutional income. Institutional income includes \$829,291 from sales and services (laboratory fees) and \$80,000 in other income. Increases are expected from additional demand for laboratory services, a proposed 4.1 percent rate increase, and revenues for new and expanded screening programs.

Expenditures. The proposed expenditure increases are budgeted for the restoration and reallocation of staffing funds reverted in 1983-84. Inflationary adjustments are also provided to other budget categories with no program changes expected.

SPECIALIZED CHILD HEALTH SERVICES

The Board Office reported that the preliminary operating budget of \$2.77 million for Specialized Child Health Services for 1984-85 represents a decrease of 15.7 percent from the Regent-approved budget of \$3.29 million for 1983-84 and a decline of 11.0 percent from the revised 1983-84 budget of \$3.11 million. Reductions in the 1983-84 budget included the 2.8 percent appropriation reversion and a reduction in federal and private grants which were lower than expected.

Resources. Anticipated resources for 1984-85 include a total of \$2.39 million in state appropriations plus \$235,000 in carryover funds and \$152,594 in institutional income. State appropriations include \$620,997 for SCHS programs, \$52,000 in contingency appropriations if needed, and a total of \$1,713,100 in federal block grant appropriations.

The Board Office noted that state appropriations for SCHS are \$111,320 short. That is 12.1 percent less than the original 1983-84 budget and 11.6 percent less than the revised 1983-84 budget. The SCHS programs will be continued, despite the appropriation shortfall. However, staff reductions and supplies and services savings must be implemented.

Institutional income estimates include \$48,129 in federal funds, \$27,000 in sales and services, and \$77,465 in other income. Federal funds are expected to decline by \$83,126 from the revised 1983-84 level as a result of terminated or reduced federal grant award allocations. Sales and services income is reduced by \$40,000 due to the expected elimination of mobile x-ray van services. Over \$500,000 is expected to be lost to Mobile and Regional Clinics due to the expected termination of the emergency jobs bill funding for additional regional clinics. Other income is reduced as a result of the termination of a Robert Wood Johnson Foundation grant funding the High Risk Infant Follow-up Program.

Expenditures. The expenditure adjustments include reductions required by the 1984-85 appropriation reduction and the discontinuance of allocations funded by nonrecurring federal block grants.

In summary, the high-risk infant follow-up program will be scaled back, the clinics funded by one-time jobs bill funds will be terminated, and the mobile x-ray van service will be eliminated. However, all SCHS programs will be continued despite state and federal funding shortfalls.

OAKDALE CAMPUS

The proposed Oakdale Campus operating budget of \$2.6 million for 1984-85 represents a decrease of 3.5 percent from the original 1983-84 budget and an increase of 0.8 percent from the revised 1983-84 budget.

Resources. Anticipated resources for 1984-85 include a total of \$2.3 million in state appropriations and \$242,000 in institutional income. Institutional income includes \$162,000 in sales and services and \$80,000 in other income. A continued reduction is projected in the other income category as a result of continued reduced funding for research programs.

Expenditures. The university indicated anticipated reductions in total general service staff salaries and in fuel and purchased electricity expenditures. No programmatic changes are planned.

FAMILY PRACTICE

The preliminary operating budget of \$1.4 million for the Family Practice Program for 1984-85 is approximately 3.2 percent over the original 1983-84 budget and 6.2 percent over the revised 1983-84 budget.

Resources. Anticipated resources for 1984-85 are from state appropriation support of \$1.4 million which includes \$72,943 in salary adjustment funds.

Expenditures. Changes in expenditure categories are inflation-related. No budgetary adjustments due to programmatic changes are reported.

Vice President Ellis said that in preparing this budget, the university had to make extremely difficult decisions in allocating resources. The guiding principle was to minimize the effects of the 2.8 percent reversion and direct efforts to enhance the quality of education at the University of Iowa. He wished to highlight the use of vitality funds and the education excellence funds. Vitality funding allowed the university to direct additional resources to areas where it had fallen behind competitive levels. This funding, made available from tuition increases, would allow the university to address deficiencies. All of those salary funds will be distributed on the basis of merit. Vice President Ellis said that, as noted earlier, education excellence funding will provide welcome relief for staff in areas of high demand.

The Board Office conclusion noted that, except for the University Hospital's proposed Organ Transplant Program, no major programmatic changes are proposed in the SUI preliminary budget. However, additional information should be supplied on program emphasis with the final line budget.

MOTION:

Dr. Harris moved that the (1) University of Iowa preliminary operating budgets totaling \$350,656,531 for 1984-85 be approved as recommended; (2) that \$40,000 be allocated to the General University for Western Iowa Continuing Education; (3) that \$7,582 be allocated to the General University for the Quad-Cities Graduate Study Center; (4) that allocations for fuel and purchased electricity be made as recommended; (5) that rate

increases of 5.7 percent for University Hospitals, Pschiatric Hospital, and University Hospital School, and 4.1 percent for University Hygienic Laboratory be approved, effective July 1, 1984; (6) that the university be requested to review its projections of indirect cost reimbursements and salary adjustment shortfalls with comments and/or modifications to be submitted with final budgets; and (7) that the university include in the narrative accompanying future preliminary budgets and in the final line budgets information relating to the relationship between programmatic change and budget proposals.

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

APPOINTMENTS. The following appointments were approved by general consent of the board:

June Braverman as Director of the University of Iowa Center for Conferences and Institutes, at a salary of \$35,000, effective July 1, 1984.

Paul Greenough as Director of the Center for International and Comparative Studies, effective June 1, 1984, at his currently budgeted salary.

PHASED RETIREMENT PLANS. It was recommended that the board approve the requested phased retirement plans for Jack W. Dickey, George W. Forell, Margaret N. Keyes, and David Schaal.

The Board Office said that each of these employees meets the requirements for eligibility for phased retirement, and the university has approved their requests.

MOTION:

President Brownlee stated that the phased retirements of Mr. Dickey, Dr. Forell, Dr. Keyes, and Dr. Schaal were approved by general consent of the board.

REPORT ON OPERATION OF THE PHASED RETIREMENT POLICY FOR 1983-84. It was recommended that the board accept the university's report.

In December 1981 the board approved a phased retirement policy for the University of Iowa faculty and in June 1982 extended the coverage to include professional and scientific staff. The program for faculty and professional and scientific staff was to begin July of 1982 for a trial period of five years.

The institution's report shows that 14 persons, including 8 faculty members and 6 professional and scientific staff members, participated in the program during 1983-84. Of the 15 faculty and staff members who entered the program during the first two years of its operation, 5 decided to retire fully before completing the phasing period which had been proposed initially.

The 14 full-time positions of those participating in the program during 1983-84 were reduced a total of 5.4 full-time equivalent positions in 1983-84. That potential reduction in salary and fringes was \$235,690. The incentives paid pursuant to the phased retirement program amounted to \$74,289 producing a net reduction of \$161,401.

The institution indicated that the anticipated results of the phased retirement program apparently have been realized during its first two years of operations.

MOTION:

President Brownlee stated that the report on phased retirement operations for 1983-84 at the University of Iowa was accepted by general consent of the board.

PROFESSIONAL AND SCIENTIFIC CLASSIFICATION SYSTEM. It was recommended that the board approve the following revisions to the Professional and Scientific Classification and Compensation Plan requested by the University of Iowa:

1. a) A change in the description and pay grade assignment of Associate Director - Student Financial Aid from grade 09 (\$19,410 - \$30,760) to grade 12 (\$24,450 - \$39,110).
b) The establishment of Administrative Director of Systems in Student Financial Aid in pay grade 10 (\$20,960 - \$33,530).
2. Approve a new classification, University Conservator, in pay grade 18 (\$38,790 -).
3. Approve the new classification of Coordinator - Undergraduate Programs, in the College of Business in pay grade 10 (\$20,960 - \$33,530).

The Board Office explained that growth in financial aid programs and increased responsibility resulting from new federal regulations concerning management, monitoring, and institutional responsibility have led to the proposed reorganization of two existing Associate Director positions. Both positions are presently in grade 09. The new pay grade assignments of both positions are indicated by the university's point count evaluation system and funds are available from existing resources.

The new classification of University Conservator is a unique position proposed to direct the activities of a newly created department for the preservation of valuable and rare documents in the university's special

collection unit. In addition to a high level of technical and artistic expertise, organizational, teaching, and public relations skills will be required. The new department will work closely on an interdepartmental basis in developing a Center of Book Arts to include programs on the history of the book, fine press printing techniques, and paper making. The pay grade assignment of the new position has been determined by application of the university's point count evaluation system.

The new position of Coordinator - Undergraduate Programs in the College of Business Administration will perform duties that previously were assigned to an Assistant Dean who now has other responsibilities. The position will be responsible for the daily administration and coordination of services provided by the Undergraduate Office, including student advising, recruitment, admission procedures, and the dissemination of general program information. The proposed pay grade assignment has been indicated by the university's point evaluation system and funds are available from existing resources.

Complete classification descriptions of all the proposed positions are on file in the Board Office.

MOTION:

Dr. Harris moved that the board approve the revisions to the Professional and Scientific Classification and Compensation Plan requested by the University of Iowa as noted in the recommended actions. Mr. Neu seconded the motion and it passed unanimously.

POST-AUDIT REVIEW OF B.S. AND B.A. IN BIOLOGY AT THE UNIVERSITY OF IOWA. It was recommended that this be referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The university had submitted its post-audit review for the B.S. and B.A. in Biology in response to the board's policy which requires that all new programs be reviewed after five years of existence.

MOTION:

President Brownlee stated that the B.S. and B.A. in Biology at the University of Iowa were referred by general consent of the board to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

NAMING OF BUILDINGS. The university requested that the board approve the following:

1. Approve naming the communications facility, currently under construction, the Communication Studies Building.
2. Approve naming the University Theatre the Theatre Building.

The university reported that the name for the Communication Studies Building was recommended by the faculty of the department and the Committee on Building Names and reviewed by the Campus Planning Committee. The Campus Planning Committee noted a potential source of confusion between the proposed name of the new building and the nearby existing Communications Center. The university noted that the source of confusion, however, is inherent in the overlapping responsibilities of the departments housed in the two buildings and appears to be unavoidable.

The name of the Theatre Building was also recommended by the Committee on Building Names and the Campus Planning Committee. It is believed that this change will eliminate any confusion between the producing group within the Department of Communication and Theatre Arts and the building.

MOTION:

Mr. Duchen moved that the board approve the naming of the Communication Studies Building and the Theatre Building at the University of Iowa. Mrs. Jorgensen 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 made by the executive secretary of the following construction contracts:

Fire Safety Alterations--1984--Phase II--Quadrangle Residence Hall
Award to: McComas-Lacina Construction Co., Iowa City \$113,987.00

Quadrangle Residence Hall--Food Service Remodeling--Exterior Stairs and Waterproofing
Award to: Frantz Construction Co., Inc., Iowa City \$51,250.00

Chilled Water Plant Expansion--Phase V
Award to: Mid-America Construction Co. of Iowa, Iowa City \$1,474,000.00

The Board Office noted that one of the bidders asked for the use of a reciprocal preference for this project. However, the project was not affected by the provisions of S.F. 2160.

The sources of funds are \$1 million from Treasurer's Temporary Investments (TTI) and \$800,000 from University Hospitals Building Usage Funds. State Funds had been requested for the project, but approval was not received. The project must proceed in order to provide the cooling capacity needed. Mr. Richey told Regent Harris that limits on the amount of TTI funds available will effectively prevent the Legislature from expecting similar financing on other projects in the future.

University Hospitals--4 West Neonatal Exiting Firewalls
Award to: Burger Construction Co., Inc., Iowa City \$20,904.00

University Hospitals--Psychiatric Hospital Office Stairway
Award to: Brogan Construction, North Liberty, Iowa \$45,430.00

It was recommended that the board award the following construction contract:

Graphic Services Building Addition
Award recommended to: Selzer Construction Co., Iowa City \$176,933.00

Bids were received on this project on April 5, 1984. The 11 bids received were in excess of the approved construction budget of \$125,000. Because of the large number of bids received for the project, it appears that the original budget estimate was unreasonably low. The university negotiated two modifications in the project design reducing the cost of the construction contract to \$163,606.

In order to move forward with the project, the university requested approval of a new budget that has been adjusted upward to reflect the higher cost of the construction contract. The previously approved budget totaled \$156,250 and the revised budget proposed by the university totals \$195,000. The source of funds continues to be a loan from Income from Treasurer's Temporary Investments. It is to be repaid within five years from the Department of Publication revenues.

The Board Office recommended approval of the revised budget and the contract award.

The university reported approval of 14 change orders which are under \$25,000. The change orders were on 11 different projects and ranged in price from a \$172.45 credit to a \$19,360.82 addition. None of these change orders require an increase in the project budget.

The university requested authorization to negotiate a contract change order for site development of the Communications Facility. The current contract contains only a limited amount of site development in the immediate area surrounding the new building. Long-range plans for site development in the area of the Communications Facility, the Library, and the area now occupied by the Old Armory have now been prepared. The value of the landscape and site development work under contract is estimated at \$59,000. The university requested permission to negotiate a change order with the project contractor that will modify the site development work currently under contract and include the additional work necessary to complete the project. This approach will reduce the design costs, alleviate job site coordination problems, and permit earlier completion of the site development work.

The Board Office reported that if a change order can be negotiated for a price estimated by the architect as reasonable, then the university will present the change order to the board at its next meeting with a recommendation for approval. The site work will be publicly bid if a change order cannot be satisfactorily negotiated. The additional cost for the site work will be covered from uncommitted balances in the contingency portion of the project budget. The Board Office recommended approval of the university's request.

The university reported the acceptance of three construction projects. In each case the final inspection of the work showed that the contract had been carried out in accordance with the plans and specifications. Included were University Hospitals--Two Tower Patient Room Utilities; Hospital School--Fire Safety Deficiency Corrections--1981--Phase II; and Macbride Hall--General Remodeling--Phase 3--Home Economics Departmental Offices.

The university submitted final reports on seven projects. The Board Office reported that all were in order and recommended for approval. Included were Children's Hospital--Electrical Power Utility Service; University Hospitals--Internal Medicine Faculty Offices--General Hospital; University Hospitals--Fire Protection Improvements--First Floor General Hospital; University Hospitals--General Dentistry Clinic--Phase II--General Hospital; Zoology I and II--Fume Hood and Ventilation Retrofit--Phase I; Children's Hospital--Reoccupancy Remodeling--Phase II; Oakdale Animal Quarters--Building #129--Addition and Air Conditioning; and Fire Safety Alterations--Phase I--Quadrangle, Hillcrest, and South Quadrangle Residence Halls.

The Board was requested to approve the following new projects:

Health Sciences Library--Exterior Waterproofing and Window Flashing
Source of Funds: General University Building Repairs \$43,000.00

In July 1983 the board approved the selection of Harvey W. Henry Associates as project architect. The Physical Plant will serve as inspection supervisor. The construction work on each part will be accomplished by purchase orders after soliciting quotations.

Calvin Hall--Remodeling for Cooperative Education
Source of Funds: General University Building Repairs \$42,000.00

Physical Plant forces will perform the work and materials will be obtained through a combination of quotations and purchase orders. Physical Plant will also provide project inspection supervision.

Hawkeye Apartments--Parking Lot Resurfacing
Source of Funds: Dormitory Improvement Reserves \$242,600.00

In April 1984 the board ratified the institution's selection of Shoemaker & Haaland, Coralville, as project engineer and inspection supervisor. The university also requested approval of the project budget.

Macbride Hall--Building and Fire Safety Improvements
Source of Funds: 69th G.A. Bonding Authority and
Fire Safety Deficiencies \$115,800
Gen. University Bldg. Repairs 60,000
\$175,800.00

In May the board approved the university's selection of McConnell Steveley Anderson, P.C., to provide architectural services for this project. The Physical Plant was designated as inspection supervisor.

The Board Office noted that project costs have been allocated to reflect those elements related to fire safety improvements and those related to general building improvements. The university also requested approval of the preliminary project budget.

Schaeffer Hall--Replace Roof

Source of Funds: General University Building Repairs \$141,900.00

The Physical Plant was designated as engineer and inspection supervisor. The project will be publicly bid. The university also requested approval of the preliminary project budget.

Power Plant--Replace Turbine Room and Coal Bunker Roofs

Source of Funds: General University Building Repairs \$50,000.00

The Physical Plant Department was designated as project design engineer and inspection supervisor. Construction work would be accomplished through the public bidding process. The university also requested approval of the preliminary project budget.

Kinnick Stadium--Install Stairs--N.E. Corner

Source of Funds: Athletic Department Ticket Revenue \$42,500.00

In May the board ratified the institution's selection of Shoemaker & Haaland as engineers for this project. The Physical Plant Department was designated inspection supervisor. The university also requested approval of the preliminary project budget.

University Hospital--Cytogenetics Laboratory

Source of Funds: University Hospitals Building Usage Funds \$289,600.00

The University Architect's Office will serve as project architect and inspection supervisor. The construction will be accomplished through public bidding procedures. The university also requested approval of the preliminary budget.

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

Iowa Hall--Museum of Natural History--Phase I--Space Preparation

The university requested ratification of an increase in compensation of \$2,000 to Stanley Consultants, Inc., Muscatine, for additional engineering services on this project, increasing the basic fee of \$9,960 to \$11,960.

Medical Laboratories--Replacement of Distilled Water Piping and Equipment

The university requested ratification of its selection of Frank Pulley Associates, Inc., Des Moines, to provide engineering services on this project. Total compensation shall not exceed \$1,780.

Medical Research Center--Replacement of Domestic Water Piping

The university requested ratification of its selection of Frank Pulley Associates, Inc., Des Moines to provide engineering services on this project. Compensation shall not exceed \$3,440.

Medical Research Center--Replacement of Deionized Water Piping

The university requested ratification of its selection of Frank Pulley Associates, Inc., Des Moines, to provide engineering services on this project. Total compensation shall not exceed \$880.

Pharmacy Building--Replacement of Air Conditioning Water Chillers

The university requested ratification of its selection of Frank Pulley Associates, Inc., Des Moines, to provide engineering services on this project with total compensation not to exceed \$2,100.

University Theatre Addition

The university requested ratification of an increase in compensation of \$1,950 to Shoemaker & Haaland, Professional Engineers, Coralville, to provide additional engineering services on this project.

College of Law Building

The university requested ratification of an increase in compensation to Gunnar Birkerts & Associates, Birmingham, Michigan, to provide additional architectural services on this project. The additional services are due to the rerouting of utility service lines required by unforeseen soil conditions. In March the board approved the architect's current contract with the university for \$887,205. Additional compensation for this work shall not exceed \$13,500.

Dental Science Building--Remodel Endodontics Conference Room S488

The university requested ratification of its selection of Harvey W. Henry & Associates, Coralville, to provide architectural services on this project with total compensation not to exceed \$604.

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

The university requested ratification of an increase in compensation to Hansen Lind Meyer, Iowa City, for additional architectural services on this project. Compensation shall not exceed \$23,500.

University Hospitals--Pneumatic Tube Station Relocation

The university requested ratification of its selection of Hansen Lind Meyer, Iowa City, to provide architectural services on this project with total compensation not to exceed \$4,100.

University Hospitals--Replacement of Domestic Water Piping--South Wing

The university requested ratification of its selection of Frank Pulley Associates, Inc., Des Moines, to provide engineering services on this project with compensation not to exceed \$10,959.

Virology Laboratory Relocation

The university requested ratification of an increase in compensation to Hansen Lind Meyer, Iowa City, to provide additional architectural services. Additional compensation shall not exceed \$3,000.

University Hospitals--Information Services Remodeling

The university requested ratification of its selection of Shive-Hattery Engineers, Iowa City, to provide engineering services on this project with total compensation not to exceed \$6,000.

Oakdale Hall--University Hygienic Laboratory Remodeling

The Board Office noted that design fees for this remodeling project may exceed \$25,000. Therefore, the university requested permission to negotiate an agreement with Hansen Lind Meyer. The firm was recommended for this project because of its experience with recent remodeling projects and its current involvement in preparing the feasibility studies in relocating the Hygienic Laboratory. An agreement, when successfully negotiated, will be presented for the board's consideration at an upcoming meeting. The Board Office recommended approval of the university's request.

Chilled Water Plant--Phase V--Chilled Water Storage Facility

The university requested permission to negotiate with Shive-Hattery & Associates, Iowa City, for resident engineering services during construction of this project. The university reported that the firm possesses the necessary expertise and, through services provided on past projects, has familiarity with the chilled water plant. The agreement, when successfully negotiated, will be presented to the board for its consideration at a future meeting. The Board Office recommended approval of the university's request.

Macbride Hall--Building and Fire Safety Improvements

The university requested ratification of its selection of McConnell-Steveley-Anderson, P.C., Cedar Rapids, to provide architectural service on this project. Compensation will be based on a multiple of direct personnel expenses and shall not exceed \$14,650.

Indoor Practice Facility

The university requested permission to proceed with the selection process for an architectural consultant on this project. The university proposed to plan and construct an inflatable structure providing an all-weather practice environment for varsity teams and recreational and physical education use. The structure will be located adjacent to the Recreation Building and be connected by a link containing offices for the football coaching staff.

The university's Campus Planning Consultant, Thomas Hodne Architects, Minneapolis, Minnesota, assisted the university in selecting the site after considering alternative locations. The site chosen for the indoor practice facility is northeast of the Recreation Building and requires relocation of the track and field facility.

The Board Office said the university estimates the cost for the indoor facility, the link with the Recreation Building, and the football staff offices, as well as utility connections, to be approximately \$3 million. Relocating the track may cost an additional \$1.3 million. Funding for the project will be from Intercollegiate Athletic Department Television and Bowl Revenues and private gifts. The university indicated that the funds are on hand and available. No state funds will be used to construct or operate the facility.

Vice President Ellis briefly reviewed the planning to date for this project, which began in November 1983. Vice President Ellis said that, while the university does not plan at present to seek any general operating funds,

it does plan to have some physical education programs in the building as well as the football team. At this time, the university can't predict what the mix will be in the future. It did not wish to commit the original arrangement of using no state funds for operation to perpetuity. There may be an occasion when it is appropriate to use general fund money for the operating process.

Vice President Ellis introduced Richard E. Gibson, Director, Facilities Planning and Utilization. Mr. Gibson presented a series of slides showing alternates considered by the university in planning the project and the reasons for the final selection.

In answer to a question from Regent Harris, Mr. Gibson said that the price of football tickets will be unchanged this year. Vice President Ellis said it was not contemplated that ticket prices will be increased to further this project. He told Regent Anderson, however, that while gate receipts will not be used for construction they will of course be used for operating expenses.

Regent Harris said Vice President Ellis had pointed out that no state funds will be used in construction or operation of the indoor practice facility. He felt those two points cannot be overemphasized. Vice President Ellis reiterated that not only would there be no state funds used for construction but no state funds for opening of new buildings. The only caveat was that the university did not want to say that it will never use general funds to operate the building if needs change and part of it is used for the academic process. Even now, it is anticipated that it will not be fully utilized by the varsity athletic programs and will be used partly for both recreation and for physical education.

Regent Anderson asked how utilization of the facility will be determined. Vice President Ellis said priority will be given to the athletic program, but there will be a procedure in place for determining other uses.

President Brownlee said he felt that everyone needed to recognize that, because of all the comments about this proposed facility, this is a decision that the Board of Regents must make. It is a university facility. This is true no matter where the funds come from. In this instance there are no public funds - no appropriations, no gate receipts - used for construction, but it is still a board decision. He noted that approving the selection process for the architect is tantamount to approval of the project. He felt it would be appropriate for the board to require a schedule of utilization for the facility when it is opened, and to require a schedule of use 12 months after that, detailing what facets of the university community use the building and how much.

Regent Neu felt there should be some requirement that if state funds ever are used for the operation of this facility, this should first be brought to the board for approval.

Regent Murphy said that although she had been associated with athletics for most of her life, she was concerned with the current emphasis on athletics,

particularly in the press. She had received phone calls from many people and read much in the paper about this proposed practice facility. There seemed to be an impression that what should be an educational institution was in fact ruled by the athletic department. She did not believe this was true. She didn't think even the most fervent fan in the state wants the university to be thought of as a football power first and an educational institution second. She was not against this project but urged discretion and close monitoring.

Regent Duchen said he wished to address all three universities. He loves sports, particularly varsity sports. However, he too has long been troubled by the growing emphasis on the "big-time" athletic programs at the Regent universities. He would vote "no" on the indoor arena to call attention to the fact that there is a sensitive balance that must be maintained between academics and athletics. He wondered who will run the universities in the years yet to come: the athletic directors and the coaches or the university presidents, other administrative officers, deans, and faculty. Regent Duchen felt that the Regents might be developing a varsity athletic monster that could affect the universities' personalities and reputations over time to come.

Regent Anderson asked to what extent the concept of the indoor practice facility was used as a fund raising mechanism. Vice President Ellis said there has been no fund drive for this facility. Regent Anderson disagreed. She had been contacted by people who contribute to the university. The university may have not done this consciously, but she felt it had been done. She believed that before a particular project can be used for a fund-raising tool, that project should be approved by the board.

President Freedman said that, clearly, the university has donors who are interested in giving to one or another part of the university, but he was not aware that the Foundation knew of any gifts for this purpose. In responding to the concerns of Regents Murphy and Duchen, he said that he wished the university could get 10 percent of the publicity for academic endeavors that it gets for athletics. He was satisfied that the academic side of the university is moving as it should but shared the concern over "big-time" athletics.

Regent Van Gilst asked what it will cost to hire an architect and more information about whether board action on this facility would be approval of the project. Mr. Gibson told Regent Van Gilst that it will cost \$25,000 to \$40,000 to get started on this project. The total architect's fees would probably be between \$200,000 and \$250,000. Mr. Runner told Regent Van Gilst that, in essence, approval of the university's request to select an architect is approval of the project. This approval will allow the university to proceed through schematic plans which will flesh out the preliminary plans shown to the board today and help determine solid cost figures. The university will come back to the board before proceeding beyond that phase. Mr. Runner noted that the presentation by the university was in response to the board's desire to be involved in projects in the conceptual stage.

Regent Harris felt it was possible to maintain a balance between academics and athletics. He noted that all Iowans, whether sports fans or not, want and expect quality education from the institutions. He thought Iowa was getting this and will continue to receive this quality education. Regent Harris reminded board members that numbers of Iowans depend on the Regent institutions not only to provide education but also recreation, including the arts as well as sports.

MOTION:

Dr. Harris moved that the board grant the University of Iowa permission to proceed with the selection process for an architectural consultant for the Indoor Practice Facility utilizing the selection procedures for new buildings in the Regents Procedural Guide, and that before any public funds be utilized for operation of this facility, such use of funds be approved by the Board of Regents. Mrs. Anderson seconded the motion. The motion passed with Mr. Duchene voting nay.

MOTION:

Dr. Harris moved that the board approve the Register of Capital Improvement Business Transactions for May 1984; ratify award of construction contracts made by the executive secretary; award the construction contract; approve the revised project budget; approve negotiations for the contract change order; accept the completed construction projects; approve the final reports; approve the new projects and project budgets; ratify the consultant contracts; approve negotiations for architectural and engineering services; and authorize the executive secretary to sign all necessary documents. Mrs. Anderson seconded the motion and it passed unanimously.

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

- a. The lease (tenant) with Glen Tull and Jim Sissell for the use of 990 square feet of office space in the building located at 907 West Townline, Creston, Iowa, at an annual rent of \$5,040, commencing June 1, 1984, and ending May 31, 1985; and

The Board Office noted that no vacant school buildings were available pursuant to Executive Order No. 44. The university considers the rent of \$5.09 per square foot per year fair and equitable for space in Creston and it represents no increase over the rate paid in 1983-84.

- b. The lease (landlord) of 72,823 square feet (1.67 acres) of land to Children's Family Living Foundation, Inc., for a Ronald McDonald House, the exact terms and conditions having been approved by the board in January 1983.

The Board Office explained that in January 1983, when the board approved the terms and conditions of this lease, it included a provision that the property was approximately 40,000 square feet of undeveloped land. When the site work was completed, it was determined that 72,823 square feet of land was needed. As this exceeded the original projection by more than 80 percent, it was believed the board should approve the amount of land being leased for this purpose. The land is leased to the corporation for \$1.00 per year for an initial period of 25 years with four options to renew for five years each. Vice President Ellis said it was determined that more land was needed for setback, parking, and existing trees.

- c. The lease (landlord) of approximately 40 acres of land at the Macbride Field Campus to Robert D. Randall on a crop-share basis for the period May 1, 1984, to March 1, 1985.

The Board Office said the university leases the Macbride Field Campus, encompassing some 620 acres, from the Army Corps of Engineers under a 1959 license agreement with a 25-year term. That agreement is scheduled to expire in June 1984. Since the university's lease from the Corps of Engineers is uncertain for the period for which the university proposes to lease a portion of the land to tenant Randall, the lease must be approved by the Corps of Engineers before the board formalizes its lease with Randall.

Vice President Ellis said negotiations continue for renewal of the long-term lease with the Corps of Engineers. Mr. Richey said he had read in the paper that the university, in its effort to renew this long-term lease, has submitted a proposal to the Corps of Engineers promising what it will do to develop the land. He requested that the university provide the Board Office with a copy of that proposal, including costs both for the short term and the long term, so the board can be informed as to the impact of the proposal.

Vice President Ellis said that whether or not this long-term lease is approved, the lease with Mr. Randall would be accepted by the Corps of Engineers, so the money from this year's crop will accrue to the university.

MOTION:

Mr. Neu moved that the board approve (a) the lease with Glen Tull and Jim Sissell for use of 990 square feet of office space in the building located at 907 West Townline, Creston, Iowa, at an annual rent of \$5,040, commencing June 1, 1984, and ending May 31, 1985; and (b) the lease of 72,823 square feet (1.67 acres) of land to Children's Family Living Foundation, Inc., for a Ronald

McDonald House, the exact terms and conditions having been approved by the board in January 1983; and (c) the lease of approximately 40 acres of land at the Macbride Field Campus to Robert D. Randall on a crop-share basis for the period May 1, 1984, to March 1, 1985, upon condition that it is approved by the U.S. Corps of Engineers. Dr. Harris seconded the motion, and upon the roll being called, the following voted:

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

NAY: None

ABSENT: McDonald

The motion passed unanimously.

TEMPORARY PEDESTRIAN FOOTBRIDGE. It was recommended that the board approve the request of the university to enter into a formal agreement with the city of Iowa City to construct a temporary footbridge across the Iowa River.

The Board Office reported that construction of this temporary footbridge is required during reconstruction of the Iowa Avenue bridge which is scheduled to begin in June 1984. It is necessary that a substitute be provided to handle pedestrian traffic safely during the period when the Iowa Avenue bridge is out of service.

The university has agreed with the city to pay for 50 percent of the cost of constructing the temporary footbridge. Total construction costs are estimated to be between \$97,000 and \$117,000. In order to identify the actual cost of the footbridge, the temporary bridge will be bid as an alternate on the Iowa Avenue bridge reconstruction project, for which the city is providing 100 percent funding. The university's portion of the project will be funded by Treasurer's Temporary Investments.

The final agreement will be presented to the board for its approval at a subsequent meeting.

MOTION:

Dr. Harris moved that the board approve the request of the university to enter into a formal agreement with the city of Iowa City to construct a temporary footbridge across the Iowa River. Mrs. Anderson seconded the motion and it passed unanimously.

ALLOCATION OF STUDENT ACTIVITY FEES. It was recommended that the schedule (shown on the next page) of proposed allocations for student activities, student services, and building fees totaling \$49.84 per semester (\$99.68 annually) during 1984-85 and \$16.97 for the summer of 1984 be approved.

The University of Iowa
 ALLOCATION OF STUDENT ACTIVITY FEES

	<u>Per Semester</u> 1984-85	<u>Summer</u> 1985
<u>Student Activities</u>		
SPI Board	\$ 3.05	\$ 1.10
Lecture Committee	.85	--
Recreation Services	.83	--
UICAC	3.05	--
UISAS	3.05	--
UISA Office	.15	.33
Contingency	.06	.22
KRUI	.42	--
USI	<u>.53</u>	<u>--</u>
TOTAL	\$ 11.99	\$ 1.65
<u>Student Services</u>		
Cambus/Bionic Bus	\$ 7.60	\$ 1.33
Student Health	4.00	2.00
Health Iowa	<u>.17</u>	<u>--</u>
TOTAL	\$ 11.77	\$ 3.33
<u>Building Fees</u>		
Recreation Building	\$ 3.50	\$ --
Hancher Auditorium	8.00	5.00
Arena/Recreation Project	12.86	5.96
Iowa Memorial Union	<u>1.72</u>	<u>1.03</u>
TOTAL	\$ 26.08	\$11.99
TOTAL, ALL FEES	\$ 49.84	\$16.97

PGH
 5/2/84

The Board Office reported that the proposed increase in student activity revenue of \$49.84 per semester in 1984-85 represents a 2 percent increase over total fee allocations for 1983-84. The university reported that this comparatively modest increase is based on student government recommendations as an acknowledgement of the seriousness of the funding situation in 1984-85 for the general university. Proposed increases are limited to the most essential needs only. Activities and services to be supported are as listed on the previous page.

Student health allocations have been reduced from \$5.11 per participant per semester to \$4.17, or an 18 percent reduction. During 1983-84, student government recommended an increased allocation of \$1.11 to establish a comprehensive alcohol education program. The student health service, apparently through a misunderstanding, used the additional allocation to establish a broader-based health education service program which included alcohol education, drug abuse education, general health programs, and mental health programs. This year, student government recommended \$.17 per semester per student to support a specific alcohol abuse education program only.

The Board Office noted that during the current fiscal year, some student activity fees were placed in a separate development fund used to support the Iowa Memorial Union Remodeling project, the United Students of Iowa (USI), and faculty vitality support. The Iowa Memorial Union Remodeling project and the United Students of Iowa organizational support have been proposed as regular student government supported activities for 1984-85.

The Board Office explained that in June 1983, the university and student government began to consider major remodeling of the Iowa Memorial Union. As a consequence, student government, with university administration concurrence, established a Student Fee Development Fund which was set aside in 1983-84 toward the renovation/remodeling of the Iowa Memorial Union. The FY 1985 proposal allocates \$1.72 per person per semester and an additional \$1.03 per person per summer term toward this project. This allocation will be made to the building fees fund; the separate development fund is no longer directly funded. The university, as a result of its deliberations, has established the preliminary scope of the project at approximately \$8 million and was continuing to work on identifying funds to finance the project. The Board of Regents, following established procedures, will be asked to approve the memorial Union project including financing alternatives selected.

The United Students of Iowa (USI) are now supported as any other regular student activity. Student government recommended a reduced level of support from \$.65 per semester in 1984 to \$.53 per semester in 1984-85 with no additional support from the summer session fees.

The Board Office had received a letter from Chris Morton, Executive Director of USI, which summarizes student government support for the association and notes that fiscal accountability procedures must be established:

. . . In our previous report, USI stated that we shall hire an "independent accounting firm . . . to audit USI on a semi-annual basis." It was the hope of the USI Board of Directors at the time of our report that we would place all funds derived from the student fees in an account in Des Moines. The new Board of Directors, however, feels that it would be to our advantage to leave the student fees in one of the universities' accounts.

The Board Office noted that there had been no determination to date of how the fiscal accounting for USI will be conducted. Mr. Morton said that if USI used one of the universities for its accounting services, it would prefer Iowa State University because it was closest to the Des Moines headquarters of the organization.

Associate Vice President Madden said that in terms of administrative capability, the university would be able to do this. He noted a concern, however, dating from a previous involvement with a student lobbying group. It is often difficult to separate completely programmatic judgments from fiscal accounting. In its previous experience, often when the university asked fiscal questions, it was accused of moving into programmatic areas. Further, all checks used for this accounting would be Iowa State University checks. If United Students of Iowa takes on activities such as lobbying, these activities could possibly be perceived as university activities.

Vice President Ellis said the University of Iowa would have the same kind of concerns if it were to assume USI accounting service responsibilities. He wondered if it would be possible for USI to use a commercial service.

Mr. Morton said that using a commercial service was his original proposal and USI would be happy to do that. USI had obtained estimates from several accounting firms for the services required, including six-month compilations (after each semester) and an end-of-year audit. Audit reports would be filed with the university administrations, the executive secretary, and the student governments. Cost of these services would be approximately \$3300 out of a total budget for the coming year of \$75,000.

Mr. Madden said that if the board had no objection to this general direction, the university would prefer this. He would enter into some in-depth discussions with student leaders to get approval of this system and work out procedures for accountability. President Brownlee directed USI and ISU to work out an arrangement and bring it back to the board for approval. He requested that they keep the Board Office informed of developments.

MOTION:

Dr. Harris moved that the schedule of proposed allocations for student activities, student services, and building fees totaling \$49.84 per semester (\$99.68 annually) during 1984-85 and \$16.97 for the summer of 1984 be approved by the board. Mr. Duchon seconded the motion and it passed unanimously.

STATE UNIVERSITY OF IOWA
May 16-17, 1984

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Thursday, May 17, 1984.

PRELIMINARY BUDGETS FOR 1984-85, IOWA STATE UNIVERSITY. It was recommended:

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

General University	\$149,534,182
Agriculture & Home Economics Experiment Station	15,101,764
Cooperative Extension Service in Agriculture & Home Economics	<u>18,584,336</u>
Total	<u>\$183,220,282</u>

2. That \$62,060 be allocated to the General University for Western Iowa Continuing Education.
3. That \$6,912,000 be allocated to the General University for Fuel and Purchased Electricity.
4. That the University be requested to review its projected zero increases in indirect cost reimbursements with comments and/or modifications to be submitted with final budgets.

The Board Office reported that the Iowa State University preliminary operating budget proposals for 1984-85 recommend increases over the original 1983-84 Regent approved budgets of 9.5 percent for the General University, 9.1 percent for the Experiment Station, and 8.7 percent for the Cooperative Extension Service. In comparison with the 1983-84 revised budgets, operating budget increases recommended for 1984-85 are 10.7 percent for the General University, 11.2 percent for the Experiment Station, and 10.6 percent for the Cooperative Extension Service.

GENERAL UNIVERSITY

The proposed General University operating budget of \$149.5 million for 1984-85 represents an increase of 9.5 percent over the university's original 1983-84 budget. However, the original 1983-84 budget was reduced by a total of \$3.2 million in reversions and other reductions, partially offset by an increase of \$1.75 million in institutional income. Overall, it was estimated that the 1983-84 budget will be approximately \$1.5 million below the original level. The budget requested for 1984-85 is approximately \$14.5 million or 10.7 percent above the revised 1983-84 budget.

Resources. Anticipated resources for 1984-85 include a total of \$101.0 million in appropriations and \$48.6 million in institutional income. Appropriations include \$86.7 million for operations from education bills, \$6.9 million as the university's allocation for fuel and purchased electricity, \$7.3 million in salary adjustment funds, and \$62,060 as Iowa State University's share of funding for Western Iowa Continuing Education.

Institutional income is estimated to be \$8.5 million above the original 1983-84 estimates and \$6.7 million above revised 1983-84 estimates. A projected \$44.5 million from student fees in FY 1985 includes increases resulting from tuition rate increases and a total of \$753,000 resulting from anticipated enrollment increases. The Board Office noted that despite the inclusion of added income based on new enrollments, the university's tuition estimates may still be understated.

Other components of institutional income include \$50,000 anticipated in continued federal Morrill-Nelson appropriations and \$935,000 in income from sales and services. Other Income is estimated to total \$3.1 million but does not include any increase in indirect cost reimbursement over the 1983-84 revised budget. The Board Office questioned this assumption and recommended that the university reconsider the likelihood of additional indirect cost receipts. Associate Vice President Madden said Iowa State University would do as the Board Office recommended, but did have concerns in this area and felt it was trying to be realistic.

Expenditures. The university indicated its desire to provide adequate salary adjustments and recognized the impact of previous inflation and the lack of salary increases in the current year. The university further noted that it is attempting to maintain as much salary flexibility as possible. Increases will be awarded on merit competition bases. Approximately \$3.5 million of the vitality and quality fund generated by increased tuition revenues will be used to provide salary adjustments to the faculty, with particular emphasis on highly competitive fields such as computer science, business, and engineering. Professional and scientific personnel are to receive salary adjustments, also on a merit basis, averaging 6.6 percent and \$484,000 in vitality and quality funds will provide specific merit increases within proposed salary ranges. The total vitality funds to be distributed are consistent with amounts approved by the board for vitality.

General service staff will receive mandatory cost of living adjustments and step increases as proposed in the Regent Merit System and the appropriate collective bargaining agreement averaging 6.6 percent.

The Board Office noted that appropriated salary adjustment funds were expected to understate needs by at least \$500,000. These funds must be supplemented with institutional income in order to provide fully for salary and fringe benefit requirements.

Additional funding of \$550,000 provided for excellence in education will be utilized to fund additional instructional positions. These funds,

supplemented by an additional \$492,000, are committed to areas of greatest need, including business administration and engineering. President Brownlee noted that in this use of the excellence in education funds, Iowa State University was responding to the Legislature's intent that these funds be used for instructional purposes.

The university achieved significant savings in fuel and purchased electricity during the current year and anticipates continued energy conservation programs to reduce fuel consumption. A 5 percent increase was proposed in supplies and services funds in addition to increased operating funds for instructional computing support. An increase of \$111,000 over the original 1983-84 budget was proposed for equipment and a \$207,000 increase was recommended for library books. Building repair funds were increased by \$91,000 over the current year's original budget although they remain significantly below the current actual level of support. The university noted critical needs to provide an adequate level of utility repair funds and recommended that alternative funding methods be considered in the future.

The Board Office reported that the university provided detail on resources, expenditures, and program changes for 1984-85 in its budget proposal. Of particular note is that approximately \$2.1 million is committed to temporary teaching positions in order to facilitate responses to changing instructional needs. Also, the university identified areas of major programmatic emphasis including business administration, engineering, and biotechnology programs.

AGRICULTURE & HOME ECONOMICS EXPERIMENT STATION

The preliminary operating budget of \$15.1 million for 1984-85 is approximately 9.1 percent over the original approved 1983-84 budget and 11.2 percent over the revised 1983-84 budget.

Resources. The anticipated income for the Experiment Station of \$3.6 million is based predominantly on federal funds of nearly \$3.5 million allocated to the station by the U.S. Department of Agriculture under the Hatch Act. State appropriations, which will total \$11.5 million, include \$802,000 in salary adjustment funds and a total of \$532,000 in special purpose appropriations approved by the Legislature.

Expenditures. The university reported that the salary policies followed by the Experiment Station will be comparable to those of the General Assembly and that reallocations will be used as necessary to provide funds for salary increases. It was noted that the Experiment Station research functions do not participate in the vitality and quality fund. Adjustments may be made in the division of personnel efforts between the university and the station in order to fund comparable salary increases for faculty and joint appointments. Legitimate concerns were expressed regarding possible moves to eliminate state salary adjustment funds based on federal appropriations.

The university noted that the added special purpose appropriations approved by the Legislature will be used as intended. These include:

Meat Export Policy & Research Center	\$200,000
Food Crops Research Center	200,000
Western Iowa Horticulture Research Center	60,000
Muscatine Island Research Center	50,000
Alternative Crops	<u>22,000</u>
Total	\$532,000

However, it pointed out that the levels of funding are modest in many cases, that they may not accomplish major new developments immediately, that additional support may be required to augment the recommended funding, and that in some cases increased support will be required in the future. Particular concerns were expressed with needs for flexibility in the research functions of the Experiment Station.

COOPERATIVE EXTENSION SERVICE IN AGRICULTURE AND HOME ECONOMICS

The preliminary operating budget for 1984-85 is \$18.6 million, approximately 8.7 percent over the original 1983-84 approved budget and 10.6 percent above the revised 1983-84 budget.

Resources. Total resources for the Cooperative Extension Service include nearly \$11.0 million in state appropriations and \$7.6 million in federal funds through Smith-Lever funding. State appropriations include two special purpose appropriations: State Extension Fruit Specialist, \$35,000; and Computer Software Development and Field Staff Training, \$200,000.

Expenditures. The university's budget proposal indicated that salary increases for Cooperative Extension Service staff will follow the pattern established for the General University to the extent permitted by resources. The Cooperative Extension Service also expressed concerns about the possibility of requirements that salary adjustments be funded from federal appropriations. A total of four new positions will be provided by special purpose appropriations.

SPECIAL PURPOSE APPROPRIATIONS

In addition to the special purpose appropriations noted above, additional special purpose appropriations are budgeted for specific project and program areas at Iowa State University. These include:

Livestock Disease Research	\$ 300,000
Water Resource Research	135,000
Fire Service Education	200,000
CIRAS - Small Business Development Center	<u>500,000</u>
	\$1,135,000

The Board Office noted that the first three of these represent continuing appropriations which will be maintained at close to the 1983-84 budgeted levels. The last is a new special purpose appropriation through CIRAS for the small business development centers utilizing matching federal funds. These funds were previously appropriated to the Iowa Development Commission and will now be directly administered by CIRAS. Additional CIRAS field staff personnel will also be funded from the appropriation. Brief descriptions of the above programs are contained in the university's budget request.

The Board Office said, in summary, that the ISU preliminary budget reflects emphasis on merit and competition-based salary increases and programmatic emphasis in high demand areas.

Associate Vice President Madden said that the major area of concern beyond salary is probably equipment. A major project in this area is equipping the Mechanical Engineering building. This year a reversion of \$1.8 million in equipment funding for this building was required. There is some funding available because of favorable construction bids, but the building will not be fully equipped this next year with all that is necessary.

Concerning special appropriations, Mr. Madden said in many cases amounts appropriated are less than originally requested. These limited amounts of money will not solve all of Iowa's agricultural problems. He noted an administrative concern because of the state comptroller's requirement that each of these projects be made separate budget items. Regent Van Gilst commented on a current project in Iowa in which the Japanese are building a plant to manufacture an amino acid. When he asked why Iowa had not developed this product, he was told there was inadequate money for research 20 years ago.

President Brownlee noted that the university had honored the commitment that the excellence in education funding be used for instructional purposes, and had handled vitality fund increases in salaries for the Experiment Station and Extension Service equitably. Mr. Madden said the university had tried to do so in spite of difficulties caused by different funding sources.

MOTION:

Mr. McDonald moved (1) that the Iowa State University preliminary general program operations budgets for 1984-85 be approved in the amount of \$183,220,282; (2) that \$62,060 be allocated to the General University for Western Iowa Continuing Education; (3) that \$6,912,000 be allocated to the General University for Fuel and Purchased Electricity; and (4) that the university be requested to review its projected zero increases in indirect cost reimbursements with comments and/or modifications to be submitted with final budgets. Dr. Harris seconded the motion and it passed unanimously.

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

REQUEST FOR NEW UNDERGRADUATE MAJOR IN RELIGIOUS STUDIES. It was recommended that this request be referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The Board Office explained that the university was requesting approval of a new undergraduate major in religious studies in the Department of Philosophy within the College of Sciences and Humanities. According to the university's proposal, the proposed major formally recognizes a program within the Department of Philosophy that has previously been available only as a minor.

MOTION:

President Brownlee stated that the request for the new undergraduate major in Religious Studies was referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation by general consent of the board.

REPORT ON OPERATION OF THE PHASED RETIREMENT POLICY FOR 1983-84. It was recommended that the board accept the university's report.

In June of 1983, the board approved a phased retirement policy for Iowa State University faculty and professional and scientific staff for a trial period of five years.

The university reported that during the 1983-84 academic year, five tenured faculty members were approved for phased retirement programs. Two of the five persons listed in the institution's report will begin their phased retirement during fiscal 1985. Two other persons had been participating in the phased retirement program during 1982-83 and continuing throughout 1983-84, bringing the total number of faculty members approved for phased retirement to seven.

The five full-time positions were reduced a total of 1.33 full-time equivalent positions in 1983-84. That potential reduction in salary and fringes was \$65,127. The incentives paid pursuant to the phased retirement program were \$28,576 producing a net reduction of \$36,546.

The institution indicated that it expects increased faculty and departmental interest in phased retirement plans in future years.

MOTION:

President Brownlee stated that the report on the operation of the phased retirement policy for 1983-84 for Iowa State University was accepted by general consent of the board.

RESOURCE CENTER FOR TEACHERS. It was recommended that the request to approve the establishment of a Resource Center for Teachers, effective July 1, 1984, at Iowa State University be referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The Board Office reported that this proposed Center would be placed under the responsibility of the Vice President for Academic Affairs. This organizational arrangement was proposed because the Center will involve programs and personnel from throughout Iowa State University and because the Center will be delivering programs and personnel throughout Iowa. The Board Office noted that among the nine tentative activities for the proposed Resource Center there are no indications of any new academic programs. However, because of the nature of the proposed Center and its possible implications for the other two Regent universities, it was requested that this proposal be referred to the Interinstitutional Committee and the Board Office for review and recommendation.

MOTION:

President Brownlee stated that the request to approve the establishment of a Resource Center for Teachers at Iowa State University was referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation by general consent of the board.

OTHER PERSONNEL TRANSACTIONS. The following appointments were approved by general consent of the board:

Wilbur L. Layton as chair of the Department of Psychology effective July 1, 1984, through June 30, 1988. Salary as budgeted.

Owen D. Osborne as Director of the Engineering Extension Service effective July 1, 1984. Salary as budgeted. (The university noted that Dr. Robert Crom, Director of University Extension, will no longer carry the title of Director of the Engineering Extension Service.)

Dennis R. Starleaf as chair of the Department of Economics effective July 1, 1984, through June 30, 1989. Salary as budgeted.

Bert E. Nordlie as professor and chair of the Department of Earth Sciences effective July 1, 1984, through June 30, 1989. Salary as budgeted.

PHASED RETIREMENT REQUEST. It was recommended that the board approve the phased retirement plan for Professor Raymond Beneke effective July 1, 1984.

The Board Office said Professor Beneke is 64 years of age and has been a member of the ISU faculty since 1959. His request meets all the requirements established by the board for participation in phased retirement.

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MOTION:

President Brownlee stated that the phased retirement of Professor Raymond Beneke, effective July 1, 1984, was approved by general consent of the board.

STUDENT ACTIVITY FEE ALLOCATIONS -- 1984-85. It was recommended that the schedule of proposed allocations for student activities, special purpose fees, debt service, and development funding totaling \$133.65 annually (\$66.83 per semester) during 1984-85 and \$66.17 for summer 1984 be approved.

	<u>1983-84 Annual Fee</u>	<u>Increase</u>	<u>Proposed 1984-85 Annual Fee</u>	<u>Proposed 1984-85 Summer Session Fees</u>
Undergraduate Resident Tuition	\$1,104.00	\$ 138.00	\$ 1,242.00	\$621.00
Special Student Fees				
Debt Service				
Memorial Union	6.00	0	6.00	3.00
Hilton Coliseum	21.00	0	21.00	10.50
	<u>\$ 27.00</u>	<u>\$ 0</u>	<u>\$ 27.00</u>	<u>\$ 13.50</u>
Special Purpose Fees				
Memorial Union Operation	25.15	1.25 (5.0%)	26.40	13.20
Intercollegiate Athletics	19.50	0	19.50	9.75
	<u>\$ 44.65</u>	<u>\$ 1.25</u>	<u>\$ 45.90</u>	<u>\$ 22.95</u>
Student Activities				
Recreation	6.00	1.80 (30.0%) ¹	7.80	\$ 3.90
GSB	26.15	1.30 ² (5.0%)	27.45 ⁴	13.72
United Students of Iowa	1.30	0	1.30 ⁴	0
	<u>\$ 32.15</u>	<u>4.40</u>	<u>\$ 36.55</u>	<u>\$ 17.62</u>
Proposed Recreation Facility		7.50 ³	7.50	3.75
Clity-University Transit System	<u>\$ 16.70</u>	<u>\$ 0</u>	<u>\$ 16.70</u>	<u>\$ 8.35</u>
Total Special Student Fees	<u>\$ 120.50</u>	<u>\$ 13.15 (10.9%)</u>	<u>\$ 133.65</u>	<u>\$ 66.17</u>
Portion of Fee to General Fund	<u>\$ 983.50</u>		<u>\$ 1,108.35</u> (12.7%)	<u>\$554.83</u>

¹Includes possible increased support for Cyclone Area Community Center for recreation and sport club activities

²Recommended subject to satisfactory arrangements being developed for fiscal accountability and review of annual budget.

³To be matched with nonstate funds for planning and feasibility study.

⁴United Students of Iowa contribution from activity fee allocation by Government of Student Body - \$7,993.75.

The Board Office reported that the proposed annual fee of \$133.65 in 1984-85 is 9.1 percent above the \$122.50 annual fee for the current year. The actual distribution of tuition and fees approved by the board between student activity funds and the general fund will be reported when final operating budgets are presented in July 1984.

During 1983-84, student activity funds supported student aid at an annual fee of \$2 per student. An estimated \$50,000 was added to the general fund student aid budget from this source. This allocation to the general fund will be made permanent in fiscal year 1985.

The Board Office noted the following areas of emphasis:

Recreation. An increase in support for recreational activities of 30 percent was proposed. Additional support is anticipated for the Cyclone Area Community Center, which is an ice facility on university land owned by a private group and operated by the city of Ames under agreement with the university. The private group has not paid off the bank loans, and the ISU Achievement Fund will pay off the remaining balance of a building loan of approximately \$125,000 on the facility. At that time, the title to the facility will transfer to the Achievement Fund. The estimated property value of the facility is at least \$500,000. A revised operating agreement between the city of Ames and the university is being negotiated at this time. The Regents will be asked to take action on the proposed property transfer to the university of the ice center and related matters at a future meeting.

In addition, the university administration and student government proposed the initiation of an annual recreation facilities development fee of \$7.50 to be used for additional recreational facilities. The proposed facility development fee of \$7.50 annually and \$3.75 for the summer session is to be matched with non-state funds, possibly from intercollegiate athletics. The university reported that the need for additional recreational facilities was recognized as early as 1973-74. Over time, the demand for and the use of the university's recreational facilities have increased dramatically.

The university proposed to address the problem on a comprehensive basis. The first step would include a planning and feasibility study for new facilities as well as planning for renovation of some existing recreational facilities. If approved, the capital development procedures now in place and currently being revised will be followed.

Associate Vice President Madden noted that student government leaders have had discussions for ten years regarding the need for more space for recreation. Participation in recreation has grown almost 800 percent in that time. The athletic department is willing to match student activity funds for a total of approximately \$400,000 for the feasibility study.

President Parks pointed out that the primary purpose of this proposed facility is different than the one discussed earlier at this meeting

for the University of Iowa. The moving force is not the intercollegiate athletic department but the student body as a whole. He noted that under the former administration of the athletic department there was no interest in helping finance such a facility. The new administration is interested in the project.

President Parks introduced Vice President for Student Affairs Thomas B. Thielen and Mike Reilly, new president of the Government of the Student Body (GSB).

Vice President Thielen reiterated that this has been a major issue for the student government for a number of years. The GSB considered coming to the board a few years ago but decided the bus system was more urgent at that time. The university administration and the GSB believe that it is now appropriate to proceed with this project.

Mr. Reilly said the GSB has made every attempt possible to gauge student support. Through referendums and petitions, it has found overwhelming support on the part of students, not only for the facility but for allocating fee money to the project.

United Students of Iowa. The United Students of Iowa (USI) has been recommended for a \$1.30 annual allocation per student. This is the initial regular allocation proposed for this organization from Iowa State University. For a discussion of fiscal responsibility and accounting services for United Students of Iowa, see these Minutes under State University of Iowa, student activity fees.

MOTION:

Mr. Duchon moved that the schedule of proposed allocations for student activities, special purpose fees, debt service, and development funding totaling \$133.65 annually (\$66.83 per semester) during 1984-85 and \$66.17 for summer 1984 be approved. Mr. Van Gilst seconded the motion and it passed unanimously.

TELECOMMUNICATIONS PROJECT PROGRESS REPORT. It was recommended that the board accept the report.

The Board of Regents, at its March 1983 meeting, approved Iowa State University's plan to undertake a detailed study of the telecommunications needs on that campus. This study included the use of the firm Telecommunications International, Inc., to provide consulting services for the project.

This telecommunications study involves three phases. Presently, Iowa State has completed Phase I of this project. The consultant recommended the installation of a new telecommunications system for the campus in order to increase both the capacity and the capability of the ISU telephone system. The university accepted this recommendation.

The consultant then developed detailed specifications and a formal request for proposals (RFP) for a new telecommunications system. This request for proposals was released for vendor response on April 20, 1984. In January, the board had authorized Iowa State University to bid separately the cable distribution system in order to achieve some economies in that project.

The RFP on telecommunications equipment which was released on April 20 requires vendors to submit their bids by June 29. The university and the consultant will evaluate the proposals during July and August, and the Board of Regents will be asked to authorize the selection of a vendor in September of this year. Upon completion of this phase of the project (Phase II), the university will seek board approval for the installation of the telecommunications system. The current schedule calls for installation to begin in April 1985 with a cut-over to the new system occurring in November of that year. Completion of Phase III is expected by the end of January 1986.

The Board Office noted three issues regarding this telecommunications project:

1. Compatibility with other systems. At the board's direction, representatives of Iowa State University, the University of Iowa, the Board Office, and the state Department of General Services met and have periodically discussed with their common consultant the need to exchange information and to coordinate these three separate projects. It was agreed by all of the representatives on this ad hoc task group that each would include in its formal requests for proposals the requirement that the system have the capability to connect to a telecommunications network which would include the Capitol Complex system and the University of Iowa system.
2. Capabilities of the new system. Iowa State University has indicated that it hopes to be able to install a new telecommunications system which will provide the capability and the capacity to meet the university's needs at least through the next decade. Private sector organizations involved in the installation of new systems have advised that it would be worthwhile to provide for the installation of a comprehensive system with a wide range of capabilities. However, the university's ability to provide for such capabilities may be limited by financial restriction.
3. Financing alternatives. The consultant believes that a basic voice telecommunications system could be financed within the university's current budget for telephone service. However, there is concern that any expanded capabilities would require additional budgetary commitments. Several financing alternatives to allow for the installation of an expanded system are being investigated. Periodic updates will be provided to the board on the development of such updates.

MOTION: President Brownlee stated that the ISU Telecommunications Project Progress Report was accepted by general consent of the board.

MEMORANDUM OF UNDERSTANDING. It was recommended that the board approve the Memorandum of Understanding extending the present agreement between the Shelby-Grundy Soil Area Experimental Association and the Iowa State University Agricultural and Home Economics Experiment Station for five years.

The Board Office explained that since March 1, 1959, the ISU Experiment Station has operated a 320 acre agricultural research program in Ringgold County. The Experiment Station has operated this research farm under a series of five-year Memoranda of Understanding with the Shelby-Grundy Soil Area Experimental Association since 1959. The most recent memorandum expired on March 1, 1984. However, health problems of the association president prevented the renewal of the Memorandum of Understanding by March 1 and therefore this requested Memorandum of Understanding is to be effective retroactive to March 1 of this year.

The Board Office noted that the language of the Memorandum of Understanding is not significantly different from previous memoranda. Given the importance of a southern Iowa agricultural research operation and the 25-year record of understanding which has existed between the Experimental Association and the Experiment Station, this extension of the Memorandum of Understanding was recommended for board approval.

MOTION: Mrs. Anderson moved that the board approve the Memorandum of Understanding extending the present agreement between the Shelby-Grundy Soil Area Experimental Association and the Iowa State University Agricultural and Home Economics Experiment Station for five years. Mrs. Jorgensen seconded the motion, and upon the roll being called, the following voted:
AYE: Anderson, Duchon, Harris,
Jorgensen, Murphy, Neu,
Van Gilst, Brownlee
NAY: None
ABSENT: McDonald
The motion passed unanimously.

LEASES OF PROPERTY. It was recommended that the board approve the leases for area extension offices, as follows:

1. Council Bluffs, with Home Investment Limited of Atlantic, Iowa, for 3,200 square feet of space at 2 Northwest Drive, Council Bluffs, at a rate of \$4.90 per square foot per year (\$15,680 annually) for five years beginning July 1, 1984, and ending June 30, 1989.

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2. Dubuque, with Stark Associates of Dubuque, Iowa, for 2,432 square feet of space at 1890 John F. Kennedy Road, Dubuque, at a rate of \$5.95 per square foot per year (\$14,470.40 annually) for five years beginning July 1, 1984, and ending June 30, 1989.
3. Ottumwa, with Ottumwa Airport Commission, Ottumwa, Iowa, for 2,219 square feet of space at Ottumwa Industrial Airport, Ottumwa, at a rate of \$2.20 per square foot per year (\$4,881.80 annually) for one year beginning July 1, 1984, and ending June 30, 1985.

The Board Office reported that pursuant to Executive Order No. 44, the university asserts that it had considered vacant schoolhouse space in the relevant geographic areas and that either none is available in a given area or that what is available does not meet the program needs of the university.

The university reported that each lease is in compliance with board policy and procedure. Each lease that extends beyond one year includes a clause "subject to availability of funds." The university stated that the terms and conditions of the leases are fair.

MOTION:

Mrs. Murphy moved that the board approve the following leases for area extension offices: (1) with Home Investment Limited of Atlantic, Iowa, for 3,200 square feet of space at 2 Northwest Drive, Council Bluffs, at a rate of \$4.90 per square foot per year (\$15,680 annually) for five years beginning July 1, 1984, and ending June 30, 1989; (2) with Stark Associates of Dubuque, Iowa, for 2,432 square feet of space at 1890 John F. Kennedy Road, Dubuque, at a rate of \$5.95 per square foot per year (\$14,470.40 annually) for five years beginning July 1, 1984, and ending June 30, 1989; and (3) with Ottumwa Airport Commission, Ottumwa, Iowa, for 2,219 square feet of space at Ottumwa Industrial Airport, Ottumwa, at a rate of \$2.20 per square foot per year (\$4,881.80 annually) for one year beginning July 1, 1984, and ending June 30, 1985. Mr. Duchon seconded the motion, and upon the roll being called, the following voted:

AYE: Anderson, Duchon, Harris, Jorgensen,
Murphy, Neu, Van Gilst, Brownlee

NAY: None

ABSENT: McDonald

The motion passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final register for April 19 through May 17, 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:

Energy Conservation Program--Phase I--Carver Hall Building Systems Conversion--General Construction Contract
Award to: Backman Sheet Metal Works, Inc., West Des Moines \$63,850.00

This project was originally bid in June 1983 and all bids received exceeded the project budget. All bids were rejected by the board, and the university made changes in the scope and concept of the project. The university also presented an amended project budget for approval showing the above award within an overall budget of \$210,000. Source of funds is 69th General Assembly Academic Revenue Bonds.

Utilities--North Campus Storm Sewer Addition--Foundation Drain System for Tunnel "D"
Award to: D. C. Construction Corp., Ames \$128,100.00

The university also presented an amended project budget for approval showing the above award within an overall budget of \$958,000. Source of funds are \$908,000 from 69th G.A. Academic Revenue Bonds and \$50,000 from 68th G.A. capital appropriations.

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

Energy Conservation Program--Phase I--Carver Hall Building Systems Conversion--Testing, Adjusting, and Balancing Contract
Award recommended to: Systems Management and Balancing, Inc., Des Moines \$11,560.00

Bids were solicited on this project for April 26, 1984, with only one bidder responding. However, the Systems Management bid was \$4,000 under the engineer's estimate for the work and in past projects of this type, there were often only one or two bidders. Therefore, approval of the contract award was recommended by the Board Office.

Utilities--Central Chiller Plant Addition--Chiller Installation and Building Addition

Bids were taken on this project on May 1, 1984. Two bids were received. The low bid for the base proposal substantially exceeded the estimated construction cost of \$700,000. Because the bids exceed the budget, it was requested and recommended that the board reject all bids received. The university will rebid the chiller installation portion of the project at a later date. Once these new bids are received, the university will make a determination of how to proceed with the building addition of portion of the project.

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

Waste Chemical Handling Facility Addition

In October 1983 the board approved the planning of an addition to the university's waste chemical handling facility. The project is scheduled to be bid in June 1984. An engineering consultant study concluded that additional work is needed to handle contaminated transformers and to process low-level radioactive waste materials. The engineer's current estimate of construction costs indicates the need for an increase of \$55,000 in the project budget, bringing the total project budget to \$255,000.

The university reported completion of three construction projects: Roof Replacement--1983--Physics Addition; Roof Replacement--1983--MacKay Hall; and Roof Replacement--1983--Physical Plant. Inspection of each project found that the work was completed and complied with the plans and specifications.

The board was requested to approve the final report for the Music Building. The university also reported on the closing out of the following matter:

Highway Settlement

In July 1970, Iowa State University reported to the board concerning the Highway Commission's desire to transfer three parcels of land needed for relocation of U.S. Highway 30. On two of the three parcels, the university and the Highway Commission agreed on the valuation. The third property, located in Boone County, was not ready for action at the July 1970 meeting. The university agreed to the immediate transfer of jurisdiction of the needed right-of-way, so the Highway Commission could take possession and permit the roadwork to progress as scheduled. Both agreed that negotiations relative to the compensation would continue until agreement was reached. Settlement has now been reached with the Iowa Department of Transportation. IDOT has agreed to pay the university the sum of \$130,000 for the Boone County parcel. The executive secretary approved the agreement under the authority delegated.

The board was requested to approve the following new projects:

Utilities--Steam Tunnel B & C Repair

Source of Funds: Utility Repairs

\$22,900.00

This project involves evaluating the structural integrity of the underground steam tunnel system and to provide engineering services for replacing the intersection of two steam tunnels. These steam tunnels were constructed around 1925 and are among the oldest tunnels in the university's utility distribution system.

The university also requested ratification of an agreement with Rietz Engineering Consultants of Ames, Iowa, to provide engineering services for

the project. Compensation will be based on a multiple of direct personnel expenses with the fixed maximum of \$22,900.

WOI-TV, ABC-TV Satellite Receiving Facility
Source of Funds: Information Service--WOI-TV

\$200,000.00

The university requested approval to install two new satellite receiving antennas. The American Broadcasting Company, of which WOI-TV is a network affiliate, is expected to convert its programming distribution to satellite during the second quarter of this year and discontinue its ground microwave distribution system shortly thereafter. Estimated project cost is \$200,000. Under contractual agreement, WOI-TV will finance the purchase and installation of the equipment. ABC will reimburse WOI-TV for the total cost of design and installation over a five-year period in addition to a monthly fee for maintenance. Engineering services will be furnished by a combination of private consultants and university personnel. Installation of the antennas and related construction will be carried out by a combination of plant forces and contract personnel.

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

Synchrotron--Remodel for Geotechnical Research Laboratory

The university requested approval of an agreement for additional services with Rietz Engineering Consultants, Ames. Compensation is based on the engineer's hourly rate with a fixed maximum of \$1,500. The engineer's fee and construction cost will not require an increase in the approved project budget of \$325,000.

Communications Building--HVAC System Improvements

The university requested approval of an agreement for additional services with Environmental Engineers, Inc., of Des Moines. Technical information for this project was originally to be supplied by the owner. However, it has become necessary to increase the scope of work being performed by the engineers. The increased compensation will be based on a multiple of direct personnel expenses with a fixed limit of \$3,360, bringing the total compensation to a maximum of \$17,360.

Utilities--Replace Steam Generators 1 and 2

The university requested approval of a contract with Burns & McDonnell Engineering Co., Kansas City, Missouri, to furnish initial engineering services on this project. The Board Office explained that this contract involves the initial engineering services relating to the needed replacement of steam generator 1 and steam generator 2. Compensation will be based on a multiple of direct personnel expenses with a fixed maximum of \$69,000.

The university reported on the urgent need to replace steam generators 1 & 2 in 1981, and the project was included in the board's Ten-Year Building Programs for 1981-1991 and for 1983-1993. Because of its high cost, the project was divided into two phases in an attempt to arrange for funding over a longer period of time. A project budget of \$8 million was established for the replacement of steam generator 1, and that project

was recommended by the board to the Governor and to the second session of the 69th General Assembly for funding. The economy of the state was depressed at that time, and the Governor was unable to support the project even at the reduced level. The project has fared no better with subsequent sessions of the 70th General Assembly and currently remains unfunded. The university is now in an extremely vulnerable condition because steam generator 2 is currently inoperative and beyond repair at any reasonable cost. Steam generator 1 is still operational but requires constant maintenance and could also become inoperative at any time. With the remaining operational life of steam generator 1 being uncertain, and because it takes three years to design, bid, and install a new steam generator, the university said it was now imperative that action be taken immediately to begin the design services for the replacement of steam generator 2. As both steam generators are contiguous and will both ultimately be replaced, initial engineering services must address the replacement of both units.

In answer to questions from Regent Harris, Mr. Richey said this fall the board would have before it recommendations on priorities for capital projects and possible sources of financing. He noted that for projects of this magnitude, the only source of financing besides appropriations is bonding. The Board Office and university were now studying this crucial issue to see if it is possible to retire academic revenue bonds without additional tuition replacement funds. President Brownlee commented that the first choice in financing is to present these urgent Regent needs to the General Assembly.

Vice President Moore said this issue is directly related to the recommendation of the Efficiency and Effectiveness Committee that:

A stronger inter-tie with the city of Ames is required for economical energy interchange. The present tie is inadequate. Iowa State University and the municipal utility should develop a high voltage transmission tie with one of the utilities adjacent to the university and Ames area. The two should negotiate with one of the public utilities to dispatch generation as well as to receive economy power.

Vice President Moore commented that the more electricity Iowa State can purchase, the less it will have to generate. It could then conserve capacity and nurse along its aging generators as much as possible.

Associate Vice President Madden added that the city of Ames is having trouble with its boilers, and the \$250,000 currently allocated for the tie-line with the city may have to be renegotiated.

Agronomy Addition and Remodeling

The university requested approval of an agreement for additional services with Bussard/Dikis Associates, Ltd., Des Moines. The university intends to modify the architectural services agreement on this project to provide for the remodeling of the existing Agronomy Building as recently authorized in House Concurrent Resolution 117. Architectural services for this

additional work will be furnished under an amendment to the existing agreement with Bussard/Dikis. Compensation will be based on an hourly rate with a maximum additional fee of \$198,000. The additional architectural services and construction costs associated with the modifications can be accommodated within the current project budget of \$26,700,000.

MOTION:

Mr. Van Gilst moved that the board approve the Register of Capital Improvement Business Transactions for April 19 through May 17, 1984; ratify award of construction contracts made by the executive secretary; award the construction contract; reject the bids for the Central Chiller Plant Addition; approve the revised and amended project budgets; accept the completed construction contracts; approve the final report; approve the settlement with IDOT; approve the new projects; ratify and approve the consultant contracts; and authorize the executive secretary to sign all necessary documents. Mr. Neu seconded the motion and it passed unanimously.

ACADEMIC BUILDING REVENUE BONDS, SERIES I.S.U. 1984. It was recommended that the board adopt a "Resolution directing the advertisement for sale of \$12,495,000 Academic Building Revenue Bonds, Series I.S.U. 1984."

The Board Office reported that the 1983 Legislature in Senate Concurrent Resolution 13 authorized the sale by the Board of Regents of \$63,780,000 in academic building revenue bonds for the period beginning July 1, 1983, and ending June 30, 1985. The first four of five sales planned have been completed.

Iowa State University is authorized to issue this biennium a total of \$30,495,000 in bonds. The first sale, for \$18,000,000, occurred in October 1983. The second sale with a total of \$12,495,000 in academic building revenue bonds is to be distributed as follows:

Agronomy Addition--Construction and Equipment	\$9,435,000
Agronomy Building Renovation	3,000,000
Issuance Costs	60,000

An amendment to the 1983 bonding resolution was approved by the General Assembly on April 12, 1984, in House Concurrent Resolution 117. This permitted the inclusion of the Agronomy Building Renovation in bond funds.

The resolution directing the advertisement for sale of \$12,495,000 Academic Building Revenue Bonds, Series I.S.U. 1984, fixes the date for the sale of these bonds for June 20, 1984, at 11:00 a.m. in the Pioneer Room of the Memorial Union at Iowa State University. The executive secretary is to cause notice of the sale of the bonds to be published in the customary

form and in the manner required by Chapter 262A of the Code, as amended. The Board Office noted that this sale date for this last issue of Senate Concurrent Resolution 13 bonds is desirable in order to maximize the earnings on bond proceeds and to take advantage of potentially favorable interest rates.

MOTION:

The board took up for consideration the matter of providing for the advertisement and sale of \$12,495,000 Academic Building Revenue Bonds, Series I.S.U. 1984.

Whereupon Mrs. Jorgensen introduced and caused to be read a resolution entitled "Resolution directing the advertisement for sale of \$12,495,000 Academic Building Revenue Bonds, Series I.S.U. 1984," and moved that said resolution be adopted.

Mr. Van Gilst seconded the motion, and after due consideration the president put the question on the motion, and the roll being called, the following voted:

AYE: Anderson, Duchon, Harris,
Jorgensen, Murphy, Neu,
Van Gilst, Brownlee

NAY: None

ABSENT: McDonald

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

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, May 17, 1984.

PRELIMINARY BUDGET FOR 1984-85. It was recommended:

1. That the University of Northern Iowa preliminary operating budget for 1984-85 of \$51,237,000 be approved.
2. That \$2,407,000 be allocated to the University of Northern Iowa for fuel and purchased electricity.
3. That the university be requested, during preparation of its final budgets, to re-examine its estimate of interest income for Treasurer's Temporary Investments, and that the university be requested to report to the board at its June meeting on the distribution of vitality and quality and educational excellence funds.

The Board Office reported that the proposed University of Northern Iowa operating budget of \$51,237,000 for 1984-85 represents an increase of 7.3 percent over the university's original 1983-84 budget. The requested budget is 7.9 percent above the revised 1983-84 budget, which had been adjusted downward by the 2.8 percent reversion and salary adjustment fund reductions, partially offset by an increase in institutional income. The added institutional income in 1983-84 included a \$700,000 increase in student fees as a result of higher than anticipated enrollments.

Resources. Resources anticipated for 1984-85 include a total of \$39.4 million in appropriations and \$11.9 million in institutional income. Appropriations are \$1.8 million above the amount initially appropriated for 1983-84 and \$2.9 million above the amount actually available after reversions. Appropriations include \$2.4 million as the university's allocation for fuel and purchased electricity and \$2.75 million in salary adjustment funds. Essential program adjustments included within this appropriation represent \$150,000 for waste water use charges and \$300,000 for excellence in education.

Institutional income is estimated to be \$1.7 million above the original 1983-84 estimates and \$0.9 million above revised 1983-84 estimates. Projected income of \$11.3 million from student fees is an increase of \$1 million over anticipated 1983-84 student fees, with the increase resulting from increased tuition rates. The projected fall term headcount enrollment of 10,946 is somewhat lower than in the current year. However, both headcount and full-time equivalent students are currently projected to be above the levels anticipated when preliminary budgets were prepared for the present biennium.

Other Income is expected to be somewhat above the level of the original 1983-84 budget although less than that of the revised 1983-84 budget. The Board Office said it is anticipated that interest income from Treasurer's Temporary Investments should actually increase with higher interest rates in FY 1985, and a reexamination of income from that source is in order when final budgets are submitted.

Expenditures. President Curris said the primary issue in preparing this budget was that of compensation and the vitality issue. The Board Office reported that increases in salaries and fringe benefits account for nearly all of the increases in the 1984-85 proposed operating budgets. The university reported that salaries for personnel within the faculty bargaining unit will be based on agreements reached during negotiations between the board and the UNI United Faculty as well as the March 1983 arbitration award. The university has included an estimated \$320,000 of vitality and quality funding for unit faculty employees, but the distribution of this funding is not yet determined. Detailed information will be provided in the university's final budget.

President Curris said the excellence in education bill provides \$300,000 for the University of Northern Iowa. The university had tentatively committed \$250,000 for salaries for faculty in the key areas of business, mathematics, and computer science. With the remaining amount, the university is trying to stay flexible until it has actual enrollment figures. The money will be spent in accordance with legislative intent. President Brownlee said this answered his concerns about the Regent commitments for these special funds.

Salaries for other faculty and institutional officials and professional and scientific staff will also be based on both salary appropriations and vitality and quality funds. General service staff salaries will be increased by 4 percent effective July 1, 1984, with merit steps reimplemented on established timetables while the other faculty and professional and scientific staff will receive performance and competition-based increases.

The university's budget for fuel and purchased electricity, which has been reduced by \$300,000 during the current year, is proposed to be reduced by an additional \$4,371 in 1984-85. The university indicated some legitimate concern with the adequacy of the 1984-85 budget of \$2,407,000 and noted that this budget will be sufficient only if the winter is mild, favorable fuel and purchased electricity rates are received, and energy conservation activities continue. The Board Office said this portion of the budget must be carefully monitored.

Increases in the supplies and services category include increased student financial aid of \$258,000, as directed by the board. The university indicated that there will be no supplies and services increases for the general campus, but adjustments may be needed in this category as the final line budget is prepared. A reduction of \$35,000 in equipment expenditures is proposed as a result of the maintenance of the 2.8 percent

cut in the base budget. Funding for library books is recommended to remain stable. The building repairs category is budgeted at the same level as had been approved for 1983-84 although the university indicated a large backlog of needed maintenance projects.

The Board Office reported that, in summary, the university will maintain a tight lid on supplies and services and the continuation of over \$400,000 in salary savings in order to adjust to the continued 2.8 percent cut. Available funds will be used to provide appropriate salary increases with little change in program direction expected.

MOTION:

Mrs. Anderson moved that (1) the University of Northern Iowa preliminary operating budget for 1984-85 of \$51,237,000 be approved; (2) that \$2,407,000 be allocated to the University of Northern Iowa for fuel and purchased electricity; and (3) that the university be requested, during preparation of its final budgets, to re-examine its estimate of interest income for Treasurer's Temporary Investments, and that the university be requested to report to the board at its June meeting on the distribution of vitality and quality and educational excellence funds.

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

CURRICULUM ITEMS. It was recommended that the curriculum items for the University of Northern Iowa be referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The Board Office reported that five new programs were being proposed by the university. It was proposed to drop eight majors, seven of which are in the graduate program in Education. As the university noted in its report, this is one part in a large reordering and restructuring of programs associated with the implementation of the Doctor of Education program.

Two of the new programs being requested as part of the university's curriculum changes were withdrawn by the university until after submission of the University of Northern Iowa Long-Range Academic Plan this fall. These two programs are (1) Master of Arts in Education: Computer Application in Education and (2) Master of Arts: Computer Science Education. The remaining programs for which approval is being sought include:

1. Physical Education Major - M.A. degree with three new emphases.
2. Manufacturing Technology Major - B. Tech (undergraduate major).
3. Science Education for Elementary Schools (K-6) - M.A. degree.

MOTION:

President Brownlee stated that the curriculum items from the University of Northern Iowa were referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation by general consent of the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final register for April 5 through May 3, 1984, had been received, was in order, and was recommended for approval.

There were no construction contracts awarded or revised project budgets. The university reported three contract change orders which are under \$25,000. None of the change orders required an increase in the project budget.

The university reported the acceptance of one construction project: Residence System--Corridor Smoke Detection System. Final inspection of the work showed that the contractor had carried out the contract in accordance with the plans and specifications, and the work was accepted as complete.

The board was requested to approve three final reports. These included UNI-Dome--Additional Office Space; Noehren Hall--Elevator Modifications; and Hillside Courts Exterior Lighting.

The board was requested to approve one new project:

Residence System--1984 Roof Improvements

Source of Funds: Residence System Improvement Fund \$153,000.00

The project will be designed and inspected by university staff. The construction will be accomplished through public bidding procedures.

The board was requested to ratify a revision to the following consultant contract:

Turbine-Generator, Plant #2, 7500 KW

In December 1978, the board approved the original design agreement with Brown Engineering Company for \$240,000. An additional \$1,800 was requested for startup and final checkout of the new turbine. This project is in the final stages of testing and should be closed out in the near future. Sixteen requests for extra services totaling \$68,940 have been previously approved.

MOTION:

Mrs. Jorgensen moved that the board approve the Register of Capital Improvement Business Transactions for the period of April 5 through May 3, 1984; accept the completed construction project; approve the final reports; approve the

new project; ratify the consultant contract; and authorize the executive secretary to sign all necessary documents. Mrs. Anderson seconded the motion and it passed unanimously.

SPECIAL SECURITY OFFICER. The board approved the following appointment by general consent:

David Kelly as permanent Special Security Officer at the University of Northern Iowa. Mr. Kelly received his certification from the Iowa Law Enforcement Academy in September 1978.

LEASES OF PROPERTY. It was recommended that the board approve the schedule of rental fees proposed by the university for the board's tenant properties.

The Board Office explained that the structures covered by the university's proposed rental schedule have been acquired by the board to accommodate the long-range plans of the university. The long-range plans call for removal of the structures and use of the resultant space in ways more directly related to university purposes. In the interim the properties are rented at rates which are equitable and competitive in the Cedar Falls area. The rents proposed for 1984-85 will go into effect July 1, 1984, and represent increases of from 5.56 to 6.62 percent with the exception of the garages for which a zero percent increase was recommended.

The university reported that two properties which appeared on last year's list of tenant rentals, the Rownd Farmhouse and 1215 West 22nd, are now vacant. The university will make a recommendation on the disposition of those properties in the near future. The property at 1203 West 23rd was not on last year's list as its purchase had not been concluded.

MOTION:

Mr. Van Gilst moved that the board approve the schedule of rental fees proposed by the university for the board's tenant properties. Mrs. Anderson seconded the motion, and upon the roll being called, the following voted:

AYE: Anderson, Duchon, Harris,
Jorgensen, Murphy, Neu,
Van Gilst, Brownlee

NAY: None

ABSENT: McDonald

STUDENT ACTIVITY FEE ALLOCATIONS, 1984-85. It was recommended that the revised schedule of proposed allocations for student activities, student services, building debt service, and building reserve totaling \$52 per semester (\$104 annually) be approved.

This schedule is shown on the next page.

UNIVERSITY OF NORTHERN IOWA
May 16-17, 1984

UNIVERSITY OF NORTHERN IOWA
Cedar Falls, Iowa
May 16-17, 1984

	<u>CURRENT</u> <u>1983/84</u>	<u>INCREASE</u>	<u>APPROVED</u> <u>1984/85</u>
Undergraduate Resident Tuition	\$1,050	\$134 (12.76%)	\$1,184

ACADEMIC SEMESTER

<u>ACTIVITY</u>	<u>CURRENT</u> <u>1983/84</u>	<u>INCREASE</u>	<u>CURRENT</u> <u>PROPOSAL</u> <u>1984/85</u>	<u>ORIGINAL</u> <u>PROPOSAL</u> <u>10/13/82</u>
Student Union Fee	\$ 6.50	-0-	\$ 6.50	\$ 6.50
Bldg Fund for Student Activity	5.00	-0-	5.00	5.00
Fieldhouse Fee	12.50	-0-	12.50	12.50
Student Activities	6.00	\$0.75 (12.50%)	6.75	} 27.00
Intercollegiate Athletics	12.00	1.25 (10.42%)	13.25	
Fine Arts/Cultural	3.50	0.25 (7.14%)	3.75	
Health Fee	2.50	-0-	2.50	} -0-
United Students of Iowa	-0-	0.65 N/A	.65	
Intercollegiate Academics	-0-	1.10 N/A	1.10	-0-
TOTALS	<u>\$48.00</u>	<u>\$4.00</u> (8.33%)	<u>\$52.00</u>	<u>\$51.00</u>

SUMMER SESSION

Student Union Fee	\$ 3.75	-0-	\$ 3.75	\$ 3.75
Bldg Fund for Student Activity	2.25	-0-	2.25	2.25
Fieldhouse Fee	3.00	-0-	3.00	3.00
Student Activities	8.00	\$0.25 (3.13%)	8.25	} 14.00
Intercollegiate Athletics	1.50	0.25 (16.67%)	1.75	
Fine Arts/Cultural	1.50	0.75 (50.00%)	2.25	
Health Fee	1.00	-0-	1.00	} -0-
Intercollegiate Academics	-0-	0.75 N/A	.75	
TOTALS	<u>\$21.00</u>	<u>\$2.00</u> (9.52%)	<u>\$23.00</u>	<u>\$23.00</u>

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The Board Office explained that in October 1982, the Regents approved UNI student fee allocations for fiscal year 1984-85. Subsequently, tuition rates have increased and the university and student government proposed to revise the original activity fees and allocations for the fall and spring semesters. The revised student activity fee for 1984-85 of \$104 is 8.3 percent higher than the current year activity fee of \$96.

The University of Northern Iowa proposed support for two new activities for 1984-85. Intercollegiate Academics is an allocation in support of university students competing in regional and national academic competitions. It was reported that previously this type of support was essentially non-existent. Additionally, as is the case with the other two Regent universities, the University of Northern Iowa student government and administration have recommended support for the United Students of Iowa. The amount recommended is \$1.30 annually with no additional support during the summer session. For further discussion of United Students of Iowa and arrangements for its fiscal accountability, see these Minutes under State University of Iowa, student fee allocations.

MOTION:

Mr. Neu moved that the board approve the revised schedule of proposed allocations for student activities, student services, building debt service, and building reserve totaling \$52 per semester (\$104 annually) for the University of Northern Iowa for 1984-85. Mrs. Murphy seconded the motion and it passed unanimously.

Regent Anderson requested that the board docket an item discussing the whole area of student fees. She felt she did not understand the philosophy used by the students and institutions in allocating these fees. She wondered how these allocations were decided upon; that is, how much money to what organizations. She wondered what would happen to this fee structure if enrollment declines. She would like to hear from students as well as university administration when discussing this issue. She requested that this be docketed at the earliest possible time when there was not a pressing load of other business.

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.

President Curris told the board that in September, UNI will have its academic planning seminar. That seminar will be somewhat different from previous seminars. He reminded the Regents that when they sought a new president for the University of Northern Iowa, the board focused heavily on the future direction of the institution. Since then, the university has been engaged in extensive planning, attempting to involve as much of the campus as possible. As a result of this effort, the university is now in a position to enunciate to the board the directions it wishes to take.

UNIVERSITY OF NORTHERN IOWA
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At the seminar, the university will identify program developments for the years to come. There will be a major review of the ten-year facilities plan to reflect academic directions. The university will be discussing with the board the need to make changes in the mission statement. He wished the board to be aware of these eventualities, so the session in September will be productive for board and university alike.

President Brownlee thanked President Curris for the outstanding hospitality provided by the university and asked that he thank those responsible.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Thursday, May 17, 1984.

PRELIMINARY BUDGET, 1984-85. It was recommended:

1. That the Iowa School for the Deaf Preliminary Operating Budget for 1984-85 of \$4,929,523 be approved.
2. That \$271,000 be allocated to the Iowa School for the Deaf for fuel and purchased electricity.
3. That the transportation reimbursement rate for parents or guardians of ISD pupils be maintained at 17 cents per mile for 1984-85.
4. That a preliminary Chapter I budget of \$151,155 be approved with a program description and detailed budget to be submitted with final operating budgets.

The Board Office reported that the proposed Iowa School for the Deaf operating budget of \$4,929,523 represents an increase of 4.5 percent over the original approved budget for 1983-84 and an increase of 7.8 percent over the revised 1983-84 budget. Changes in the 1983-84 budget were entirely the result of the 2.8 percent reversion in state appropriations and reductions in salary adjustment funds. These reductions were accommodated through adjustments in all categories with the largest adjustments made in the equipment and building repair categories.

Enrollment at the Iowa School for the Deaf declined in 1983 from 278 to 257 students, and a further decline to 232 students is projected for 1984. A low of 206 is predicted for 1985, with subsequent increases and a return to an enrollment of 240 students by the early 1990s.

Resources. Anticipated resources for 1984-85 include a total of \$4,751,523 in state appropriations and \$178,000 in institutional income. State appropriations include \$271,000 allocated for fuel and purchased electricity and \$239,095 in salary adjustment funds. The state appropriation also includes essential program adjustments of \$6,000 for expanded support of computer instruction and \$30,000 for improvements in the parental instruction program. In addition to the appropriations noted above, the school also receives standing appropriations of \$4,000 for Clothing and Transportation and \$5,000 for Tuition Replacement for the reimbursement of local school districts for children of employees living on the campus. Institutional income was predicted to remain stable.

Expenditures. Salaries and fringe benefit increases average 7.2 percent over the original approved budget for 1983-84. However, this increase is 7.8 percent when compared to the revised 1983-84 budget and provides for increases of approximately 10 percent for faculty and professional and scientific salaries. These increases are intended to maintain salaries competitive with those of surrounding school systems. General service staff salaries are to increase by an average of 6.6 percent. One faculty position will be added as the result of funding of essential program adjustments. However, some salary savings are anticipated in FY 1985 by adjusting some positions.

A decline is budgeted in the school's fuel and purchased electricity budget, and there is concern as to whether this amount will be sufficient. The Board Office noted that careful monitoring of the fuel budget is in order. A slight increase in the supplies and services budget is anticipated, but equipment, books, and building repair categories are all budgeted at levels below those originally approved for 1983-84. However, each is budgeted substantially higher than the actual 1984 budget levels.

Transportation Reimbursement for Parents or Guardians. The Code of Iowa was amended in 1980 to allow the Board of Regents to establish travel reimbursement policy for parents or guardians of students at the special schools. As reported in 1983, some differences in reimbursement procedures continue to exist between the two institutions. It has been estimated that the cost of providing uniform travel reimbursement policies would be approximately \$50,000, and this additional funding has not been available. Thus continued operations under present policies and procedures were recommended. The current travel reimbursement rate is 17 cents per mile. It was recommended that this rate be maintained for 1984-85.

Chapter I, Education Consolidation and Improvement Act. A preliminary Chapter I budget of \$151,155 was submitted by the Iowa School for the Deaf, with a tentative distribution of funds. This budget represents a decrease of \$4,585 from the current year funding. The school indicated that Chapter I funds will be used to continue existing programs and that there will be no major programmatic changes despite the continued reduction in funding. The Board Office said a program description and detailed budget should be submitted at the time of final operating budget approval.

MOTION:

Mr. McDonald moved (1) that the Iowa School for the Deaf Preliminary Operating Budget for 1984-85 of \$4,929,523 be approved; (2) that \$271,000 be allocated to the Iowa School for the Deaf for fuel and purchased electricity; (3) that the transportation reimbursement rate for parents or guardians of ISD pupils be maintained at 17 cents per mile for 1984-85; and (4) that a preliminary Chapter I budget of \$151,155 be approved with a program description and detailed budget to be submitted with final operating budgets. Mrs. Jorgensen seconded the motion and it passed unanimously.

IOWA SCHOOL FOR THE DEAF
May 16-17, 1984

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

LETTER OF COMPLIANCE FROM THE IOWA DEPARTMENT OF PUBLIC INSTRUCTION. It was recommended that the board receive this letter of compliance.

As noted at the April board meeting, the Iowa Department of Public Instruction has indicated its intent to issue a letter of compliance every four years instead of every year. This is due to the Department of Public Instruction's belief that most of the major issues regarding compliance of the school have been resolved. In addition to the four-year letter of compliance, the department will continue to conduct its annual review of the certification of professional and other staff.

The Board Office said the school should be congratulated for its work in helping to achieve this recognition by the Department of Public Instruction.

MOTION: President Brownlee stated that the letter of compliance from the Iowa Department of Public Instruction was received by general consent of the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. It was recommended that the board approve the Register of Capital Improvement Business Transactions for May 1984.

The register contains a single item involving a new construction project. The school requested approval of a Vehicle Maintenance Facility project. The project involves the construction of a 1,500 square foot pre-fabricated metal building for servicing and maintaining the school's fleet of motor vehicles and small engine equipment. The school currently has no facilities for servicing or inspecting its buses or large vehicles.

The project is anticipated to cost under \$28,000. No outside engineering services will be utilized. Specifications and bid documents will be prepared by the business manager. Construction of the facility will be through the public bidding procedures. Electrical wiring, utility connections, and interior work will be accomplished by existing institutional staff. Source of funds for this project will be \$20,000 from Institutional Farm Income and \$8,000 from Building Repair Funds.

MOTION: Mrs. Murphy moved that the board approve the Register of Capital Improvement Business Transactions for May 1984; approve the new project and project budget; and authorize the executive secretary to sign all necessary documents. Mrs. Jorgensen seconded the motion and it passed unanimously.

IOWA SCHOOL FOR THE DEAF
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President Brownlee then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the Iowa 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, May 17, 1984.

PRELIMINARY BUDGET FOR 1984-85. It was recommended:

1. That the Iowa Braille and Sight Saving School preliminary operating budget for 1984-85 be approved at the level of \$2,721,347.
2. That \$162,000 be allocated to the Iowa Braille and Sight Saving School for fuel and purchased electricity.
3. That the transportation reimbursement rate for parents or guardians of IBSSS pupils be maintained at 17 cents per mile for 1984-85.
4. That the preliminary indication of Chapter I federal funding of \$42,252 be received, with the institution to submit a program description and detailed budget for the use of these funds with its final budget.

The proposed preliminary operating budget for the Iowa Braille and Sight Saving School for 1984-85 is \$2,721,347 and represents an increase of 5.0 percent over the original approved 1983-84 budget, and an increase of 8.0 percent over the 1983-84 revised budget. A reduction of \$72,126 in the 1983-84 budget resulted from the 2.8 percent reversion in state appropriations and reduction in salary adjustment funds, partially offset by an increase of \$15,446 in institutional income. The added institutional income was primarily the result of additional funds received under the agreement with the Department of Public Instruction for the production of resource materials for visually impaired students.

Resources. Anticipated resources for 1984-85 include a total of \$2.6 million in appropriations and \$130,000 in institutional income. Appropriations include \$162,000 allocated for fuel and purchased electricity and \$156,736 for salary adjustments. Modest increases are proposed in institutional income, largely as a result of anticipated increased demand for resource materials provided to visually impaired students in other education facilities.

State appropriations also include \$2,000 from an essential program adjustment which increases vocational education funding from \$12,000 in FY 1984 to \$14,000 in FY 1985. In addition, the Iowa Braille and Sight Saving School receives a standing appropriation of \$2,500 for Clothing and Transportation.

Expenditures. The Iowa Braille and Sight Saving School reported that its proposed budget provides basically for an extension of its existing program with no significant programmatic changes. The fall 1983 enrollment of 66 students had declined from 70 in fall 1982 and is projected to hold at 66 in 1984. Small increases in enrollment are projected in future years.

Salaries for faculty and professional and scientific employees are being increased by 8.2 percent in order to provide salaries competitive with public schools in the area. General service staff salaries are to increase by 4 percent across the board, with additions based on the reestablishment of merit step increments. The school indicated that some reallocation among budget categories may be required at the time of presentation of the final budget to fund all salary increases fully. Particular attention must be given to fringe benefit needs.

The school expressed well-founded concern with its projected budget of \$162,000 for fuel and purchased electricity, a figure which represents a decline of 3.6 percent from the revised 1983-84 level. The equipment budget is partially restored from the actual 1983-84 level in order to replace obsolete and worn out equipment. Supplies and services are estimated to require somewhat less than the actual 1983-84 total, as substantial purchases of software programming and supplies for computers will not be repeated in 1984-85. The budget for books is increased slightly to compensate for inflation. A significant increase was budgeted for building repairs to provide for Phase II of eaves repairs for four additional campus buildings.

Transportation Reimbursement for Parents or Guardians. The current travel reimbursement rate, as previously established by the Board of Regents, is 17 cents per mile. It was recommended that this rate be maintained for 1984-85.

Chapter I, Education Consolidation & Improvement Act. A preliminary report indicated that funding for 1984-85 will be \$42,252. Funding for this program has dropped in each of the past three years. The school will submit a program and detailed budget for the use of these funds at the time of approval of its final operating budget.

The Board Office stated that, in summary, the IBSSS preliminary budget represents a continuation of salary savings achieved in FY 1984, with little change in programmatic emphasis. The FY 1984 budget provides needed funds for competitive salary increases and allows for important building repair projects to proceed. However, the fuel appropriation provided may be short of actual needs and will have to be monitored closely.

MOTION:

Mrs. Anderson moved (1) that the Iowa Braille and Sight Saving School preliminary operating budget for 1984-85 be approved at the level of \$2,721,347; (2) that \$162,000 be allocated to the Iowa Braille and Sight Saving School for fuel and purchased electricity; (3)

that the transportation reimbursement rate for parents or guardians of IBSSS pupils be maintained at 17 cents per mile for 1984-85; and (4) that the preliminary indication of Chapter I federal funding of \$42,252 be received, with the institution to submit a program description and detailed budget for the use of those funds with its final budget. Dr. Harris seconded the motion and it passed unanimously.

REGISTER OF PERSONNEL CHANGES. The actions in the Register of Personnel changes for April 1 to April 28, 1984, were ratified by general consent of the board.

REGISTER OF CAPITAL IMPROVEMENTS BUSINESS TRANSACTIONS. The Board Office reported that the final register for May 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 ratify executive secretary award of the following construction contract:

Eaves Repair Project--Phase I

Award to: Dvorak Painting and Decorating, Waterloo

\$32,957.00

Because the two bids received exceeded the funds available in the construction portion of the project budget, the institution presented a revised project budget. The new budget does not increase the cost of the project but shifts additional dollars from contingencies to cover the construction contract. The board was requested to approve an amended project budget totaling \$40,000 funded from 1983-84 Building Repair Funds.

MOTION:

Mrs. Jorgensen moved that the board approve the Register of Capital Improvement Business Transactions for May 1984; ratify award of the construction contract made by the executive secretary; approve the amended project budget; and authorize the executive secretary to sign all necessary documents. Mrs. Anderson 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
May 16-17, 1984

ADJOURNMENT. The meeting of the State Board of Regents adjourned at
3:45 p.m. on Thursday, May 17, 1984.


R. Wayne Richey
Executive Secretary